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THE MONTHLY MAGAZINE OF THE NATIONAL RESTAURANT ASSOCIATION VOL. 7 NO. 5 MAY 1987

RESTAURANTS USA

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7/21 Cleveland, OH

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5/17 Chicago, IL
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6/11 Bloomington, MN
6/15 Dallas, TX
6/29 Honolulu, HI

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5/16 Chicago, IL
5/27 San Jose, CA
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6/8 Denver, CO
6/15 Hartford, CT
6/17 Rockville, MD
6/30 Des Moines, IA
7/20 Burlington, MA
7/21 Newark, NJ

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6/15 Orlando, FL

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5/16 Chicago, IL

Food Production Courses

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5/26 Portland, ME
6/25 Hyde Park, NY
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6/24 Hyde Park, NY
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Banquet Management
5/17 Chicago, IL
6/8 Denver, CO
6/22 Burlington, VT
6/24 Toronto, Ontario, Canada
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Beverage Management
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6/29–30 Cleveland, OH
7/21–22 Indianapolis, IN

Coping with the Personal Demands of Foodservice Management
5/16 Chicago, IL

Employee Motivation
6/2 Detroit, MI
6/4 Milwaukee, WI
7/21 Louisville, KY
7/23 Rosemont, IL

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5/16 Chicago, IL
6/9 Denver, CO
6/15 Dallas, TX
7/22 Portland, OR

Foodservice Operators' Legal Workshop
5/17 Chicago, IL
6/8 San Diego, CA
6/9 Sacramento, CA
7/20 Atlanta, GA

Menus That Sell!
5/17 Chicago, IL
5/27 Burlington, VT
5/29 Buffalo, NY
7/27 Sarasota, FL

Negotiating for, and Financing, Foodservice Facilities
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Off-Premises Catering
5/16–17 Chicago, IL
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Operational Analysis
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7/30–31 Philadelphia, PA

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5/16–17 Chicago, IL
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7/20 Madison, WI

Profitability
5/27 Boston, MA
5/28 Washington, DC

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6/10–11 Atlantic City, NJ

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6/1–2 Toronto, Ontario, Canada
6/23–24 San Francisco, CA

Sanitary Assessment of the Foodservice Environment (S.A.F.E.)
5/16 Chicago, IL
6/8 Boston, MA

Wine and the Bottom Line
5/27 Philadelphia, PA
6/16 Cincinnati, OH

For more information, contact the National Restaurant Association Education Foundation, 311 First St., N.W., Washington, DC 20001 (800) 424-5156 or (202) 638-6100.
If your company is interested in our In-house Programs, contact Ed O'Hare at the association's Washington, DC, office.

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National Restaurant Association Wine Workshop
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10/7–9 Denver, CO

Foodservice Purchasing Managers
9/10–11 Toronto, Ontario, Canada

Internal Auditors
9/15–18 Las Vegas, NV

Labor Relations
6/18–19 Dallas, TX

Large Independent Operators
8/19–21 Boston, MA

Management Information Systems (MIS—formerly EDP)
10/13–16 Lake Tahoe, NV

Marketing Executives
10/18–20 Lake Tahoe, NV

Multi-unit Architects, Engineers and Construction Officers (MAECO)
9/16–18 Las Vegas, NV

Safety Officers
7/20–22 Seattle, WA

Tax Executives
10/7–9 Denver, CO

For more information on specific study groups, contact Philip Kralovec, (312) 853-2525

Published by the National Restaurant Association

RESTAURANTSUSA
VOL. 7 NO. 5 ☐ MAY 1987

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Restaurants USA (ISSN 0890-5584) is published monthly, except combined June/July issue, by the National Restaurant Association, 311 First St., N.W., Washington, DC 20001. $25 of membership dues includes a one-year subscription to ***Restaurants USA***. The non-member subscription fee is $125 per year. Second-class postage paid at Washington, DC 20001 and additional mailing offices.

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PRESIDENT'S REPORT

G. "Jim" Hasslocher, President
Frontier Enterprises, San Antonio, TX

Protecting the industry's interests

As I reflect upon my term as your president, which ends this month, I am filled with an overwhelming sense of pride. I am proud of the advances we have made on the legislative, educational, research and communications fronts in 1987. But most of all, I am proud to be a member of the National Restaurant Association. As your president, I gained a deep understanding of how powerful, influential and beneficial our association can be.

This past year it has been my privilege to lead you in facing the challenges that confront our industry. On the legislative front, the formation of the 100th Congress, with its new leadership and new priorities, has necessitated a greatly increased effort on our part to protect the interests of the foodservice industry. Legislation which the new Congress has proposed, and which your association is actively and emphatically against, includes a minimum wage increase, mandated benefits and FICA taxes on tips.

I can assure you, our opposition to these proposals is well known in Washington. We are optimistic that our views will be heeded.

This year, we have also felt the ramifications of legislation the 99th Congress left in its wake—namely, the 80-percent business meal deduction and the new immigration law. We are monitoring the effects these new laws will have on our industry.

Successful industry image campaign

Your association took a bold initiative this year in confronting another pressing issue—the projected labor shortage. Last fall, we joined with other organizations in the hospitality industry in launching "Ours is a Special World," a campaign aimed at enhancing the image of the hospitality employee. This campaign establishes three goals: to promote professional pride among current hospitality industry employees, to promote industry opportunities to potential employees, and to promote the hospitality industry to the public at large.

Throughout the past year, we have concentrated on the first goal—promoting the industry within our existing ranks—and I am pleased to report that we have come a long way. Phase Two of the campaign— promotion of our industry to potential employees—will be launched this summer.

Education programs strengthened

This past year also saw a landmark development on the educational front: the consolidation of the association's educational programs department with the National Institute for the Foodservice Industry (NIFI) to form the Educational Foundation of the National Restaurant Association. This new venture strengthens your association's efforts in all aspects of education, from conferences and seminars—300 were held this past year alone—to providing potential employees with information and support as they seek careers in foodservice.

The association's VideoTraining series also expanded this year, with the completion of the second installment in the program, *Back-of-the-House-Training.* Preliminary work has been completed as well on a third installment on wine service. The first video in the series, *Waitstaff Training,* was honored this year by the American Society of As-

Association publications to fit every need

sociation Executives with their Award of Excellence in Education.

This year's association publications were more diverse and plentiful than ever before. Four new titles were added to the invaluable library of Current Issues Reports: *Non-Uniformity of Regulations, Food Product Information, A Restaurateur's Guide to the Insurance Crisis,* and the latest report, mailed this month to all key members, entitled *Substance Abuse and Employee Assistance Programs.* Other special publications addressed specific foodservice concerns; *The Foodservice Operator's Crisis Management Manual, Ingredient and Nutrition Information Guidelines,* and the *1987 Directory of Foodservice Computer Hardware and Software* are just some outstanding examples.

And, of course, the association's flagship publication underwent a name change during my administration. I believe the magazine's new name, ***Restaurants USA,*** accurately reflects the breadth and scope of the publication's content as well as its nationwide focus.

As my term as your president draws to a close, let me take this opportunity to thank you for the trust, support and encouragement you gave me this year. My wife Veva and I both feel greatly enriched by the experience. We feel better qualified as leaders in our own business because of the challenges we faced. And, most of all, we are both tremendously proud to be members of the National Restaurant Association.

During April, 182 foodservice operators and allied suppliers joined us as members. Welcome. Your participation in the association will make your business grow and will make the association more effective in its endeavors on your behalf.

Sincerely,

G. Jim Hasslocher

G. "Jim" Hasslocher
President and Chairman of the Board

RESTAURANTS USA

COVER STORY: FREQUENT DINING PROGRAMS

16 Taking a cue from the successful programs developed by airlines and hotels, restaurateurs are developing their own promotions to reward repeat patronage. Although frequent dining programs can vary substantially, all have the same goal—to build customer loyalty and increase visit frequency.

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11 Close-up: 16 ways to put money in your pocket
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20 Child care—the fringe benefit of the '90s?
Child care may soon become one of the most sought-after employee benefits. A few restaurant companies are already reaping the benefits of offering some form of child care assistance. They point to reduced absenteeism, increased productivity and loyalty and improved employee recruitment.

23 Restaurateurs fume about mandated benefits
Restaurateurs are speaking out against the proposed Parental and Medical Leave Act, a bill which could become law.

26 Designing your own restaurant
Although designing a restaurant can be an intimidating task, some restaurateurs prefer to take on the challenge themselves rather than leave the decisions to a professional designer.

28 Protecting your restaurant's image
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30 Discovering new opportunities with lamb
Creative chefs are sparking renewed interest in lamb.

32 Post-modern, pasta and pediatric menus take grand prizes
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Cover photograph by Gary Landsman

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SHORTORDERS

New publication examines restaurant patronage

How frequently do consumers dine at fast food and moderately priced family restaurants? Why do they choose to visit these types of establishments? How satisfied are they with these visits? These are the questions answered in a new National Restaurant Association report, *Consumer Behavior and Attitudes Towards Fast Food and Moderately Priced Family-Style Restaurants.*

The publication contains the complete results of a Gallup Organization survey conducted last fall for the association. The report provides demographic profiles of frequent fast food and moderately priced family restaurant patrons, along with insights into how the need for convenience influences consumers' dining out decisions. In addition, the report highlights those attributes consumers are satisfied and not satisfied with at fast food and moderately priced family restaurants.

To order the publication, contact the National Restaurant Association, 311 First St., N.W., Washington, DC 20001, or call (800) 424-5156 or (202) 638-6100.

Payment must accompany all orders. The cost to members is $12 (plus $2 shipping and handling). The cost to non-members is $24 (plus $3 shipping and handling). Residents of Washington, DC, must add a six-percent sales tax. Illinois residents must add a seven-percent sales tax and Chicago, IL, residents must add an additional one-percent sales tax, bringing their sales tax total to eight percent. Credit card orders are accepted. Please specify order number CS 945 when ordering.

Association publishes guidelines for ingredient and nutrition facts

The National Restaurant Association's most recent publication, *Ingredient and Nutrition Information, Guidelines for Providing Facts to Foodservice Patrons,* suggests ways for operators to respond to consumer inquiries for ingredient and nutrition information if the need arises. The publication was developed at the direction of the association's Task Force on Ingredient Labeling. It reviews issues of consumer concern and suggests means of developing informational materials based on those concerns. Various methods of information dissemination are provided for both quick-service and tableservice operations.

Ingredient and Nutrition Information has been distributed to key members. Additional copies are available from the association's Information Services Department. The cost is $3 for members and $5 for non-members.

Leaders of learning update:

Seven educators win fellowships

Seven foodservice educators won awards totaling $8,200 in the 1987 Heinz Graduate Degree Fellowship Program, an award funded by the H. J. Heinz Foundation and administered by The Educational Foundation of the National Restaurant Association. This brings the number of foodservice educators who have received professional awards to 143.

Winners of the annual awards are selected on a national competitive basis by the foundation's fellowship committee, comprised of leading educators and foodservice industry leaders.

The graduate degree fellowships were awarded to

□ **Marcia W. McDowell,** chairwoman of the department of hotel management at Monroe Community College in Rochester, NY, received $2,000 toward a master of business administration degree in human resources management.

□ **Catherine E. Ralston,** assistant professor in School of Hotel & Food Administration, University of Guelph, Guelph, Ontario, Canada, received $1,200 to study for a doctorate in food service and foodservice administration.

The following were each awarded $1,000 fellowships:

□ **Dan Crafts,** instructor, School of Hotel & Restaurant Administration, Oklahoma State University in Stillwater, OK.

□ **James J. Huss,** assistant professor of hotel, restaurant and institutional management at Iowa State University in Ames, IA.

□ **Nora Kay Nyland,** dietetics program director/instructor in the food science and nutrition department at Brigham Young University, Provo, UT.

□ **Bevelyn B. Tomek,** instructor in the trades department at Albuquerque Technical-Vocational Institute in Albuquerque, NM.

□ **John R. Walker,** director of the school of hospitality management, U.S. International University, San Diego, CA.

American Express donates $25,000 to educational foundation

American Express Travel Related Services Company, Inc., New York, NY, donated $25,000 to The Educational Foundation of the National Restaurant Association.

The funds were disbursed in two parts. A $10,000 contribution is earmarked to produce a three-part video training program for foodservice establishments that will emphasize wine knowledge, wine service and wine merchandising. It is part of a concerted effort by American Express to encourage service excellence.

A separate $15,000 contribution was the result of a campaign in which American Express made a donation to the association's Educational Foundation Endowment Trust for every approved American Express® Card application generated from displays in restaurants across the country. "We are dedicated to developing unique and exciting programs which promote the restaurant industry." says Lewis M. Taffer, vice president, restaurant and new services marketing for American Express.

Kennedy, Hawkins unveil minimum wage legislation

Sen. Edward Kennedy

During a press conference on March 25, 1987, Sen. Edward Kennedy (D-MA) and Rep. Augustus Hawkins (D-CA), the powerful chairmen of the Senate and House labor committees, unveiled legislation likely to become the main vehicle for raising the minimum wage. The Kennedy-Hawkins legislation was prepared in conjunction with organized labor groups.

The two bills, S. 837 and H.R. 1834, would move the minimum wage up to $4.65 by 1990 in three steps: to $3.85 on Jan. 1, 1988, to $4.25 on Jan. 1, 1989 and to $4.65 on Jan. 1, 1990. Beginning in 1991, the wage would be adjusted yearly to maintain it at 50 percent of the average hourly earnings of private, non-supervisory, non-agricultural workers.

"A minimum wage that does not permit full-time workers to provide the bare necessities for their family is unacceptable," said Kennedy, who cited statistics showing that a full-time minimum wage employee earns only $6,980 annually, or $4,605 less than what the government sets as the poverty line for a family of four.

The cost of living has risen 27 percent since 1981 without any corresponding increase in the minimum wage. This decline in purchasing power has a crippling effect on many minimum wage earners, said Kennedy and Hawkins, noting that adults comprise 70 percent of the minimum wage work force and women comprise 63 percent.

John Sweeney, the president of the Service Employees International Union, issued a statement at the press conference supporting the bills. Sweeney said that 88 percent of all minimum wage jobs are in the fast-growing U.S. service sector, but that the emerging service economy will only remain as healthy as the desirability of the jobs it provides. "By any yardstick," he said, "the current federal minimum wage is not even a survival wage."

The National Restaurant Association and other employer groups, however, argue that an increase in the minimum wage will hurt those it is intended to help. Increased labor costs will force employers to reduce hours, streamline or eliminate marginal positions and significantly reduce hiring, thereby making it even more difficult for applicants with few skills to break into the job market.

The National Restaurant Association has joined other industries—retail, construction, manufacturing, agriculture and health care—in a "Minimum Wage Coalition To Save Jobs." The coalition's goal is to convince Congress that a minimum wage hike is not the way to protect low-skilled workers from poverty.

Richard Berman, executive vice president of S&A Restaurant Corp. (Dallas, TX), chairs the coalition. He pointed out that a minimum wage hike would also set off an inflationary spiraling of the wages paid to higher-skilled workers, further increasing business labor costs.

S. 837 is the first minimum wage bill to be introduced in the Senate; H.R. 1834 brings to six the number of minimum wage bills currently pending in the House. Hearings on the minimum wage bills began last month, and Kennedy and Hawkins hope to bring the legislation up for a floor vote by late summer or fall.

Grisanti testifies on FICA issues before Senate

National Restaurant Association Vice President Michael Grisanti (Grisanti, Inc.; Louisville, KY) brought the restaurant industry's case to a taxation subpanel of the Senate Finance Committee on March 23, following his presentation to the House of Representatives earlier that month (See "Board Room," April 1987, ***Restaurants USA***). As before, Grisanti testified against a proposal in the President's budget that would force employers to pay Social Security taxes on all employee tips.

Grisanti argued that tip income is a unique form of income, that should not be treated for tax purposes in the same way as wages paid by the employer.

Grisanti showed the senators serving on the panel that the tax increase could cause FICA payroll costs to shoot up by as much as 71 percent in an establishment with yearly sales of $1 million where servers averaged $3.70 per hour in tips. Small businesses would feel the greatest impact of the proposal, noted Grisanti, since these operations employ the majority of tipped workers.

Since January, the association has been urging these legislators to reject the "FICA on tips" proposal. And the association's lobbying efforts have met with success: In early April, the House Budget Committee recommended against the proposal, calling it "narrow-based and overly selective in light of the need for a meaningful contribution to permanent deficit reduction from the tax system."

Immigration regulations final by June

Employers will have three business days from an employee's date of hire to verify that the new employee is either a U.S. citizen or an alien authorized to work in the United States, according to proposed regulations issued by the Immigration and Naturalization Service (INS).

An earlier draft of the proposal would have required employers to complete the verification process within 24 hours of hire. The time-limit extension and several other changes in the draft came after the National Restaurant Association and other interested parties filed comments with INS in early February.

The proposed regulations outline new responsibilities for employers under the Immigration Reform and Control Act (IRCA) that was signed into law Nov. 6, 1986, and which, for the first time in U.S. history, penalizes employers who knowingly hire illegal aliens.

INS will finalize the proposed regulations by June 1, 1987, the date that marks the beginning of a one-year transition period under the new law. During this first year, employers will be issued warnings for first-time hiring or recordkeeping violations and will be penalized for all subsequent violations. On June 1, 1988, employer sanctions go into full effect.

By the end of May, INS will make Employment Eligibility Verification Form (I-9) available to employers. The one-page form contains sections for both the employer and the employee to fill out, and it must be completed for each employee hired since Nov. 6, 1986. The verification process will entail examining employee documents that prove U.S. citizenship or authority to work. (INS's proposed regulations contain a list of acceptable documents.) I-9 forms will have to be kept on file for three years from an employee's date of hire or for one year after termination, whichever is later. Employers who fail to maintain the proper paperwork will face civil fines.

Under the new law, aliens who have resided illegally in the United States before Jan. 1, 1982, may apply for legal status beginning May 5, 1987. Illegal aliens who say they intend to apply for legal status and seek interim work authorization from INS *may* be hired without fear of penalty until Sept. 1, 1987. Space will be available on the I-9 form for an employer to note that the employee is seeking legal status.

INS is anxious to work closely with employers—even those who have traditionally hired many illegal aliens—to help insure a smooth transition as employers assume their new hiring and recordkeeping responsibilities.

The National Restaurant Association has again filed comments with INS, pinpointing areas where the proposed regulations need clarification, expansion or change.

—Jay Morris
—Denise Roach
—Ruth Thaler

Abdnor confirmed to SBA top post

James Abdnor, former Republican senator from South Dakota, was sworn into office on March 23 as administrator of the Small Business Administration (SBA). Abdnor will set SBA policy on day-to-day matters since Congress establishes policy for the agency.

"Being from South Dakota, Mr. Abdnor is particularly interested in promoting small business in rural areas where the economy has been hit pretty hard," says Mike Thomas, SBA press spokesman.

While in the Senate, Abdnor served as chairman of the Senate Appropriations Subcommittee on Small Business. Home-based businesses are "very big" in SBA priorities, notes Thomas.

Restaurants should benefit from that focus, he adds, especially since franchise operations will be a major focus this year. SBA, in cooperation with the International Franchise Association (IFA), will sponsor a series of two-day conferences in different locations on franchising through November 1987. The conference topics are "How to Buy a Franchise" and "How to Franchise Your Business." (Call SBA for more information at (800) 368-5855.)

Association sponsors lunch for 130 House Republicans

Marty LaVor © 1987

With the help of Washington, DC-based American Cafe, the National Restaurant Association provided box lunches to more than 130 Republican House members during their March train trip to New York City. The members of Congress participated in a ceremony at Federal Hall, site of the first U.S. Congress; heard from 1988 Republican presidential hopefuls and discussed issues of concern to the party. Above, Linda Steele of the National Republican Congressional Committee hands a box lunch to Al McCandless (R-CA) and his wife Gail.

Bob Juliano gives union perspective on industry issues

In a recent interview with **Restaurants USA,** *Bob Juliano, lobbyist for the Hotel Employees and Restaurant Employees International Union (HEREIU), AFL-CIO, gave the union's perspective on issues facing the industry. HEREIU has about 350,000 members in the United States and Canada, concentrated predominantly in urban areas.*

Restaurants USA: **What are some of the major issues facing your members this year?**

Juliano: We are still very much concerned—as your members are—about business meal and entertainment deductibility. There's now an effort in Canada to get comprehensive tax reform, and it appears that there may be a move to reduce deductibility in that country to 75 percent. We have quite a few members in Canada, so we're watching that development very closely.

Australia, as you know, has eliminated the deduction entirely. All of the things that we and your association said would happen—the loss of jobs and the ripple effect on the economy—are, unfortunately, now coming to pass in Australia.

As far as Congress is concerned, our message to those on the Hill is that 80-percent deductibility is a floor under which we cannot drop. We don't want Congress to come back and drop the deduction down to 75 or 70 percent.

But I don't think Congress will revisit business meals this year. It's going to take a while to assess the impact of tax reform on the country. Ways and Means Committee Chairman Rostenkowski (D-IL) said the fight on business meals was one of his toughest. My sense is that he wants to wait before doing anything.

Q: Tip reporting remains a big issue for your members, doesn't it?

A: Yes, very much so. It's been such a problem that we've set up a hotline each year during tax time to help our members. We get calls from all over the country, and they become the basis for our recommendations to Congress. Since the new requirements first passed in 1982, we've been working to get corrections into the law, as has your association.

The biggest problem we've found is that employers just don't want to allocate tips. A lot of people still don't want to admit that the law passed. Those problem areas that we've identified and brought to the attention of Congress have been largely accepted, but the implementation in the field is killing us. People just don't do it. Accountants are telling operators, "Stick it to your people; that way you won't have Uncle Sam coming to look at your books." If they followed what we carved out with Congress, it would be a piece of cake.

Q: What about some of the issues that are sure to surface in the current Congress, such as the Kennedy-Hawkins bill to raise the minimum wage by $1.30 over three years?

A: We are taking a very close look at the legislation, but we haven't formulated a position. As a matter of general trade union principle, we would support a minimum wage increase. But I probably would not lobby directly for it unless there were some changes in the tip credit provision.

The minimum wage itself just does not affect our members. Our salary scales are so much higher than the minimum that I can hardly go to a member of Congress and say, "This is a matter of life or death," when we've got people making $10 or $11 an hour.

On the other hand, if there is something in the bill on the tip credit, then, yes, we'll be in the thick of things. That would have a direct impact on about one-fourth of our members.

Bob Juliano

Q: Legislation to ban the use of lie detectors, which restaurateurs oppose, is moving through Congress again. What are your thoughts on such a bill?

A: There's a very good chance something will come out of Congress on this issue. A ban has widespread support; unfortunately, every time something happens in the way of national security, people are reluctant to bring it up.

We feel very strongly that polygraphs have no place in the workplace, especially for pre-employment screening.

Q: So you support a complete ban—both on pre-employment and post-employment testing?

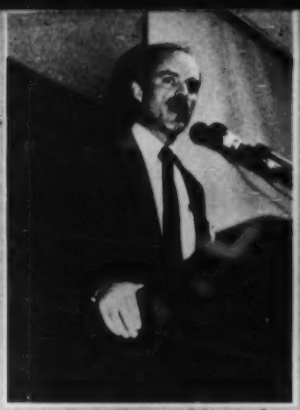
A: Yes, but post-employment is not that big a concern because, in many cases, collective bargaining agreements prohibit post-employment testing. The bottom line is that we can't accept pre-employment testing.

Q: Another bill that's making headway is the "plant closings" bill, which would require employers to give advance notice of a closing. As you know, the business community opposes it. What's your opinion?

A: We've supported it because we think it's the right thing to do. But a lot of our contracts already have provisions requiring advance notice of a closing. The problem is that this issue is very much tied to the successorship problem. It doesn't make any difference what your contract says if the business changes hands and you've been thrown out the door.

Q: What about the issue of federally mandated employee benefits, such as parental and disability leave?

A: We don't have a specific position. In general, we'd have a concern if matters got outside the collective bargaining process. Obviously, we have a strong belief in the collective bargaining system. We like the current process of negotiated benefits. Let the employees and employers work out benefits among themselves.



"The entrepreneur is the driving force behind any industry, and you, as small businesspersons, are the heart and soul of the restaurant industry," said Brian Harron, conference master of ceremonies.

Attendees listened intently as association director Thomas Kershaw (Hampshire House Corporation; Boston, MA), far right, discussed his successful T-shirt merchandising program.

Overview

INFO

Each year at the National Restaurant Association's Independent Foodservice Operators' National Conference (INFO), independent restaurateurs have the opportunity to step back from their day-to-day concerns and focus on the broad challenges and opportunities of running an independent restaurant operation.

This year's conference, held in late January in San Francisco, CA, drew more than 140 operators from around the country. Although their backgrounds, operations and geographic markets varied tremendously, attendees found plenty of common ground. "Having the opportunity to interact with other operators with similar viewpoints and experiences was very rewarding," said Phil Roberts, president of Premier Ventures, Inc., a five-restaurant operation in Denver, CO. "Unfortunately, my interaction with other restaurateurs is generally pretty limited."

For three days, though, interaction and discussion reigned. The programs and speakers, geared specifically toward an independent's concerns, sparked lively exchanges of ideas—during, between and after presentations. "It was an intense three days," admits one attendee, "but very worthwhile."

Developing motivated employees

One of the primary topics addressed was how to develop leadership and employee motivational skills in today's competitive environment. In a stimulating keynote address, speaker Kelsey Tyson, vice president of Blanchard Training and Development, Inc. and well-known lecturer on *The One-Minute Manager*, discussed management techniques, highlighting what makes a good leader and how to keep employees motivated. "The key to motivating people," Tyson emphasized, "is to consistently give feedback on results. Employees want to know when they are doing well and when they aren't."

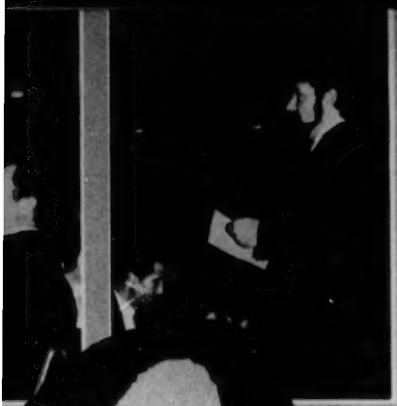
Susan Clarke, president of Motivation Unlimited, underscored Tyson's remarks, adding that management attitude directly affects employee attitudes. She explained that teaching employees to have a positive attitude is crucial to a restaurant's success because employees form a customer's impression of an establishment. "People will overlook technical mistakes if an employee has a congenial, positive attitude," maintained Clarke, "but they won't if the attitude is wrong to begin with."

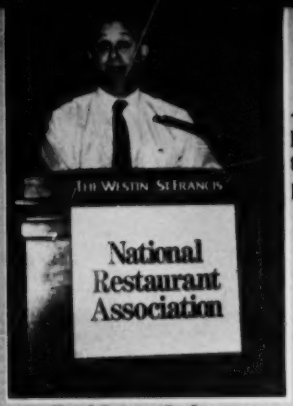
INFO '87 Master of Ceremonies Brian Harron, president of Harron Enterprises, Inc., personalized management and leadership principles with his in-depth profiles of three of the industry's most dynamic restaurateurs: Ted Balestreri (Restaurants Central; Monterey, CA), Victor Rossellini (Rossellini's 410; Seattle, WA) and Bob Sikora (Bobby McGee's; Phoenix, AZ). Harron explained that successful entrepreneurs, such as these three restaurateurs, generally have certain characteristics in common which enable them to stay "on top of the top." Some of these characteristics are:

- **A bias for action**—having a preference for doing something, rather than just analyzing and discussing.
- **Staying close to the customer**—maintaining a "customer," not a "corporate," mind-set.
- **Productivity through people**—creating an awareness that every employee's best efforts are essential to the company's success and encouraging employees to think independently and competitively.
- **"Stick to the knitting"**—realizing what business the company knows best and sticking primarily to that business.
- **Simple form, lean staff**—maintaining few administrative levels and keeping the number of people at upper levels minimal.

Branching out

Another focus of the conference was the different ways operators can broaden their restaurant's profit base. For instance, speakers Rob Bartell (Snoqualmie Falls





Bill Main gave INFO '87 attendees tips on boosting profits.

Tom McConnell of Laventhol & Horwath discussed different methods for setting a fair market value for a restaurant.

1987

Inn; Snoqualmie Falls, WA), Ti Martin (Commanders Palace; New Orleans, LA) and Michael O'Harro (Champions; Washington, DC) discussed their profitable merchandising programs for specialty signature items.

A session on the growing takeout and delivery trend also gave operators new ideas for expanding their markets.

Boosting profits

How to boost bottom-line profits was the underlying theme in several other presentations. Operators were treated to in-depth "nuts and bolts" discussions, which ranged from efficient kitchen design to security controls to specific suggestions for cutting costs and boosting profits (see the special INFO Conference Close-up report on this page).

Other speakers focused on general financial concerns, such as how the new tax laws will affect restaurateurs, how to establish a fair dollar value for a business and how to ease the effects of the liability crunch.

Overall, operators seemed stimulated and inspired by the vast amount of information and new ideas. Attendee Phil Roberts summed up the general reaction to the three-day event, "I can't wait till next year's conference," he said. "I wish they had two each year." ❑

Conference Close-up

16 Ways to Put Money in your Pocket

by Bill Main

Profitability, by my definition, is a mind-set. It is a mind-set you can cultivate. I am an "in-the-trenches" operator just like all of you, and I have found ways to consistently boost my bottom line 11 percent above the industry average of 11.4 percent.* Here are some of the concepts that have worked for me; they can put money in your pocket, too.

1 Understand your restaurant's culture. Your restaurant's culture consists of the values embodied in your day-to-day operating philosophy. The longer I am in the business, the more important I think it becomes to understand what your restaurant is all about.

There are three ways that I find out about my restaurant. First, I ask my suppliers to tell me, candidly, what they have heard about my operation on the street. I have identified probably 50 percent of the problems in my operation through my suppliers.

Second, I go to a competing restaurant, incognito if possible, and ask an employee there what he or she thinks of my operation. You will get some fantastically informative answers in this way. I know operators who never thought they had a drug problem in their restaurants find out they did because of this way of getting information.

Third, and most important, I get feedback from my customers. Every week, we do a customer survey to find out what customers do and do not like about our operation. We ask the questions that we most want answers to, and we build our findings right into our selling. The responses also give

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Bill Main is co-owner of The Shore Bird Restaurant in Half Moon Bay, CA, and an independent food-and-beverage consultant specializing in profitability, management, financing and turnaround strategies for fullservice restaurants. This article has been adapted from Main's presentation at the INFO '87 Conference. Main will also discuss the topic in a National Restaurant Association seminar program, "Profitability in the Fullservice Restaurant," which will be offered in various locations throughout the country in 1987. For further information, contact the association's Education Programs Department, (800) 424-5156 or (202) 638-6100.

Based on a composite from the National Restaurant Association's 1986 Restaurant Industry Operations Report of all restaurants.

us leverage in dealing with our employees.

2 Be committed to fundamental business principles. Good employees do not respect an operator who is not organized. They love a business that is well run. They want to count on their paychecks being on time. They want to know how they are performing. They like to know that the owners have a basic system or approach to everything that has to be done.

In the restaurant operations business, one of the things that drives me crazy is running out of glassware or silverware or having meals come out 20 minutes late because the dishwasher has broken down because the owner had not done preventive maintenance. That is no way to run a business.

3 Use a financial reporting system and cycle based on the *Uniform System of Accounts for Restaurants* published by the National Restaurant Association. This is probably the smartest system I ever implemented. Not only is it a fantastic base of reference for posting income, expenses, assets and liabilities, but it also creates a common language that allows me to compare my results against those of other operators.

4 Switch to 13 four-week accounting periods. Most accountants cringe when you talk to them about 13 four-week periods because everybody is geared to payday occurring on the first and 15th day of the month. But the fact is if you set up your restaurant in 13 four-week accounting periods, each accounting period is identical and payday will occur on the same day every two weeks.

There are other benefits as well. You can ask your kitchen manager to do a full physical inventory every Monday at 7:30 a.m. Not surprisingly, that happens to be the morning when you have the least amount of stock to count. This allows you to generate a weekly food cost.

I very strongly believe that to control food cost you need to develop continuity. You cannot have that continuity if, on a Saturday morning when your executive chef walks in the back door of your operation, he has to take an inventory because it is the last day of the month. His mind is on his biggest night of the week, which is Saturday night. Every Monday morning, on the other hand, you have minimal stocks. You have to reorder anyway, and so you get a very, very accurate count.

Probably the greatest benefit of all from a 13 four-week accounting cycle is that you are able to start expressing your profit and loss statements in weeks, not months. If you have a weekly food and beverage cost, or prime cost as it is called in the business, you have two-thirds of your costs tallied for you every week. If you just monitor those two costs, the rest of them will fall into place because if you have the mind-set to control food, beverage and direct labor costs, that mind-set will carry over into the other categories.

5 Create job descriptions that cut down on operating expenses. Three operating-expense categories that cost a restaurant the most money are laundry, restaurant supplies and replacement of china, glass and silverware. I used to get really frustrated trying to get people to focus on these areas to save money. So, I put my requirements right in the job descriptions, and, through evaluations, I demonstrated I was actually going to monitor employee performance in this area and rate them on how well they did in keeping costs down. The change in the mind-set of the person controlling these costs alone will save you money.

6 Substitute bustubs for garbage cans. About five years ago I put a bustub rack (a baker's rack) at the back door. And I said to all the employees: "Don't throw production waste in the garbage can anymore. Throw it in the bustub. And when the bustub fills up, take it to the

Waitpeople rate kitchen people

(Please rate only the people with whom you work)

1—Poor, 2—Fair, 3—Average, 4—Very Good, 5—Excellent

Please rate the kitchen personnel listed on the reverse side of this sheet in the following areas:

A. Communication/forethought when the "rush" hits. Does this person actually know how long it will take an order to "come up" and can s/he effectively communicate this to you?

B. Plate presentation. Does this person take pride in the meals s/he is setting up to go out to guests, making sure that 1) the plate is not dripping, 2) portions are correct, 3) desserts are not falling apart and 4) vegetables are not "past their prime"?

C. Voice level on the line. Is this person aware that the dining rooms can hear the activity on the line, for example, 1) horseplay, 2) arguing and 3) calling for waitpeople to pick up orders? Does this person keep his/her voice down to a normal level?

D. Attitude. How does this person conduct himself/herself in his/her dealings with waitpeople? Does this person understand that *there is never a reason to be rude?*

E. Guest dissatisfaction. Does this person realize that when something is not right to the guest, it is NOT the waitperson's fault (usually), and, as company policy clearly states, does s/he correct the problem in a courteous manner?

F. Staying in the pantry. Does this person, when scheduled to work in the pantry, stay *in the pantry,* or do you have to "go looking for him/her"?

G. The 86D board. Does this person "set-up" properly? Is s/he aware of the inventory? Does s/he put the items up on the board in plenty of time?

H. The waitperson's job. Does this person understand the reasons why the waitpeople are not "right there" waiting and that serving the actual entree is just one part of the total job of a waitperson?

I. Specials. Does this person actually know what goes into the specials and understand the pricing so that any deviation from the "usual" does not "throw" him/her? Does s/he take the time to explain it to all waitpeople at the huddle?

J. Behind the bar (to be answered only by people who tend bar as well as wait tables). Does this person get behind the bar and, therefore, "get underfoot"?

back door and slip it into the bustub rack. At the end of a shift, the kitchen manager or assistant kitchen manager will check through everything to see what kind of yields you have."

This new system saved us 2.5 points in our food cost. And here is why: Typical production workers in a typical kitchen earn $4.00 to $6.00 an hour. They are not that highly motivated because they are not going to be career prep workers. Instead, they think about their dates that night.

Now, you can talk until you are blue in the face about specifications, but the fact is that specifications are going to be as good as the supervision that the specifiers, or the production people, have.

Kitchen people rate waitpeople

(Please rate only the people with whom you work)

1—Poor, 2—Fair, 3—Average, 4—Very Good, 5—Excellent

Please rate the kitchen personnel listed on the reverse side of this sheet in the following areas:

A. Awareness/foresight. How well is this person "tuned-in" to the specials and their availability during each shift? How well does s/he faithfully mark off limited items while informing the rest of the waitstaff and cooks?
B. Menu knowledge. How well does this person know what s/he is selling and serving? Consider cooking time, portion size, type of product, final presentation, types of sauces, cuts of meat, etc.
C. Genuine concern. How would you rate this person's interest in learning more about the menu items and specials, particularly their food quality and presentation? Does this person show a personal interest in the restaurant or merely work for his/her own personal gain?
D. Technical abilities. How well does this person block print menu abbreviations to be easily understood and read? How well does this person know "firing order"? Does this person often "space out" and forget things?
E. Timing. How would you rate this individual's sense of timing? Does s/he have the ability to pick up quickly? Is s/he readily available and trying to anticipate upcoming orders or is s/he constantly buried?
F. Attitude. To what degree does this person conduct himself/herself toward guests, fellow waitpeople, bus people and line cooks? Is the attitude positive or counter productive?
G. Stamina. Does this person have the ability to handle stress during high-pressure situations, such as "the rushs" without losing his/her cool and becoming overly excited?
H. Communication. How well does this person communicate with you during the shift? Is his/her communication friendly, supportive and professional, or is it often antagonistic?
I. Productivity. How would you rate this person's level of work? Does s/he work hard, keeping busy? Or is this person constantly socializing about non-work-related topics? To what degree does this person have the "cruise" job attitude?
J. Job performance. How would you rate this person's overall consistency and foodservice professionalism? How well do *you* like working with this person?

When we changed to bustubs, we put a plug in the back door of our restaurant. As we checked out the first day, we pulled the bustubs out and checked the yield on carrots, pineapples, meat, fish and all kinds of produce. Our production workers saw their work, and they then knew they could no longer throw food down into the black hole called the garbage can.

7 Ask employees to sign a receiving procedure acknowledgment. I had gotten so tired over the years of listening to people ask about correct receiving procedures that we now require everyone who receives a food product or beverage product to sign an employee receiving-procedure acknowledgement. Now, all this really does is tell them that the receiving function is a very important function to you and that you want it done properly.

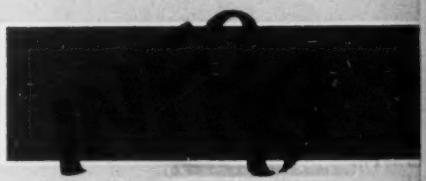
If they don't receive items properly, the acknowledgment becomes a written warning or disciplinary memorandum. I found that when $6.50-an-hour people are asked to put their names on the dotted line, they think differently about that task than they would if they are not asked to sign. And that is exactly what I am talking about in terms of developing a profitability mind-set.

8 Encourage awareness about the spread between actual and theoretical food cost. To generate a theoretical food cost, you need to know what you have sold, the menu price of each item, the cost of each item and the mix of what you have sold.

Once you have assembled this data, you can calculate your theoretical food cost, which is based on no mistakes or a 100-percent pure yield based on specifications that you have set. All you need to know is how many of each item you have sold and what the costs are.

The next step is to use your inventory worksheet to generate an actual food cost. Then, every Monday morning when you walk through your door, the first thing you should ask for is the spread between the actual and theoretical food cost. This approach is guaranteed to make a dramatic difference in the mind-set of the people working in your operation.

9 Implement a daily reconciliation of working inventory. There is nothing magical about this. You have a beginning inventory at the start of a lunch. You prep a certain amount of items before the start of that shift. During the course of the shift, the cook may run out of an item. When he or she adds something, the quantity goes into the cook's "add" column. At the end of the shift, the cook has an ending inventory of items in the reach-in or under-counter refrigerator. That dictates usage.



The usage column better match what we call the host count. Our policy is that nobody goes home until we have accounted for everything. One night, our staff worked until 3:00 a.m. trying to find one top sirloin. It only takes one time for that to happen, and the word gets out real fast that you are serious about reconciling your daily inventory for both lunch and dinner.

You will find that, generally speaking, 80 percent of your hard costs come from 20 percent of your items. Those are the items to watch. Who steals potatoes? No one. But you should know about every prawn or steak.

10 Give a bonus instead of a raise. We have all been in the position where somebody asked for a raise. Before we gave that raise, we thought, "I am not sure if he is worth $7.00 an hour." But with the labor market being what it is, replacing people is not as easy as it used to be. That is why we tend to get subtly blackmailed.

Instead of giving raises to employees you feel may not deserve them, try giving bonuses. Bonuses are a very good way to motivate people

and give them their just rewards without locking yourself into a long-term situation. Say, "Okay, if you perform well at the $7.00-an-hour level for the next 30 days, I will count up the number of hours you have worked, and I will give you a retroactive bonus of $1.00 per hour at the end of that 30 days." That gives you an opportunity to avoid giving a raise if the person does not perform. But once you give someone $7.00 an hour, you cannot get them back to $6.00 an hour.

11 Set up pay grade scales. We identified grade scales—such as Line Cook 1, Line Cook 2, Line Cook 3, Line Cook 4, Line Cook 5—to avoid being tapped for money every time an employee is in a pinch. Here is how it works. Let's say Line Cook 3 is making $4.00 an hour. He comes to you and says, "I need a raise because I just bought a car," not, "I deserve it because I am doing a great job;" therefore, "You are going to solve my problem by giving me a raise." I say, "This is what you have to learn to do at the next level to be worth that kind of money to me." For the first time, this cook is thinking, "Hey, I've got a way to make more money."

And what happens is that all the people in the kitchen start looking to the next level, start trying to learn. And the people at the level above look down and say "uh oh," and they do a better job.

Over a three-year period we cut down our staff. We now have fewer people, but they are more productive and more highly paid. And that is the key, in my opinion, to low labor costs—highly productive people who are well paid. The greatest sight in the world to me is a $9.00-an-hour line cook, who can put out 400 dinners on a Saturday night, driving a brand new BMW. I love it, because that means he has a car payment, and he is more motivated to stay employed.

12 Test your job applicants. We have written tests and hands-on demonstration tests. How many times has a cook come to you and said, "Gee, I am working down the street at blankety blank. I am being paid $7.00 an hour, and I would like to start at $7.00 here." And you ask yourself, "How good is this guy?" If you have a pay grade scale that says $7.00 an hour means a guy should be able to make a hollandaise from scratch, you ask him, "Do you know how to make a hollandaise?" and he says "Yes." Then you say, "Okay, fill out this test. Tell me the ingredients in hollandaise, and, if you can do it successfully, come on over here to the stove and make it."

We have all hired people because they had credentials, but they did not know what the hell they were doing. And then we had a worse problem: How do you get rid of them?

13 Create a cross-evaluation system. Over the years, we have heard servers complaining about cooks and cooks complaining about servers. I finally got a bellyful, and I sat down with the servers and said, "Give me your 10 biggest complaints about cooks." And I said to the cooks, "Give me your 10 biggest complaints about servers." And we set up a cross-evaluation system based on these complaints. Each item is ranked on a scale from one to 10. Everyone who has been on the job six months gets to participate. We never reveal the name of the evaluator, but

Line cook job skills demonstration
Level 3

Demonstrate	(Check one)
A. The correct procedure for filling out the inventory sheets, prep sheet, lunch count sheet and dinner count sheet.	☐ acceptable ☐ unacceptable
B. The correct procedure for reconciling these counts to the previous day.	☐ acceptable ☐ unacceptable
C. The correct procedure for issuing older products to the various stations to guard against food spoilage when inventorying all food products.	☐ acceptable ☐ unacceptable
D. The correct technique for cutting a tip sirloin butt, and the correct procedure for filling out the proper paperwork.	☐ acceptable ☐ unacceptable
E. The correct technique for grinding scraps of burger.	☐ acceptable ☐ unacceptable
F. The correct technique for cutting brochette meat.	☐ acceptable ☐ unacceptable
G. The correct technique for filleting the following:	
Salmon	☐ acceptable ☐ unacceptable
Halibut	☐ acceptable ☐ unacceptable
Shark	☐ acceptable ☐ unacceptable
Tuna	☐ acceptable ☐ unacceptable
H. The existing rotation system, so that cooks are issued only enough product to last through the shift.	☐ acceptable ☐ unacceptable
I. The correct procedure for filling out the chalkboard.	☐ acceptable ☐ unacceptable
J. The correct procedure for setting up the line *without* the steam table.	☐ acceptable ☐ unacceptable
K. The correct procedure for setting up the line *without* the toastmaster.	☐ acceptable ☐ unacceptable

Employee name: _____ **Date:** __/__/__

Demonstrated to: _____ **__ pass __ fail**

we do disclose the rating.

The system works beautifully. First, the staff starts thinking about working together. Second, they realize that when they are not nice to each other, it may show up in the six-month evaluations. Third, we can use the ratings in making management decisions.

Thus, when a cook comes to me and says, "I want $8.00 an hour instead of $7.00," the first thing we do is check his or her evaluation reports. We ask, "Does this cook get 'buried' easily? Does he or she care about customers? How is his/her plate presentation? And so forth." For example, if 10 different waitresses have all rated this cook a "3" or "4," I may use that feedback to delay or refuse a raise.

Employee receiving procedure acknowledgement

All products purchased by this restaurant will be received according to the following procedures. Your job depends on **exact** *execution.*

- ☐ Always check the actual items received against a copy of the purchase order or order sheet. Check for quantity, size, brand, quality, etc.
- ☐ Always weigh any items that are costed by poundage.
- ☐ Always physically count any items that are costed by the piece, line, produce, liquors, etc.
- ☐ If items are not correct, bring the discrepancy to the attention of the driver/salesperson immediately. For substitutions or wrong items, ask the driver/salesperson to initial the copy, then add your initials.
- ☐ Note the discrepancy on our copies so that accounting can correct its figures.
- ☐ Completely fill in all purchase information on the invoice register.
- ☐ Make sure that items are properly marked, stored and rotated.

I understand the above receiving procedure.

Employee signature: _____

Date: __/__/__

14 Charge your employees for the direct costs of meals. Everyone tells me kitchen workers have to be given free meals. That is a bunch of malarkey. Your kitchen manager and maybe your management people should eat free. But, as far as I am concerned, everybody else who works in the operation should pay for his or her meals. Charging our employees for the costs of the meals saved us $17,000 last year, and the concept is very simple.

Here is how we approach it. If you are giving away your meals now, you know what they are costing you. They are probably costing you $2,000 or more each month, not to mention all the mumbo jumbo you have to go through in terms of taxes.

Get your employees together and tell them, "We are running a business here, folks. We can't give away $2,000 worth of food each month. But we are going to give you a 65-percent discount. We will treat you just like you are John Q. Public; we are going to serve you the exact same meals we serve our guests, including the specials, but we will charge you direct cost, not including labor, and not a penny more."

The employees signed an agreement, and the amount of their meals was deducted from their paychecks. I was absolutely shocked at what a great reception the change-over got. The savings were incredible, and the morale went right through the roof.

The workers started eating the same meals that the public did. That allowed them to have a positive mind-set about the menu. They did not have taco salads anymore for dinner, because the typical kitchen manager who's giving away employee meals has the attitude "to feed them as cheaply as I possibly can." And the typical line cook's attitude about employee meals is "I hate to do them." Suddenly, the line cook is saying, "I'm cooking the same thing for everybody all the time."

And it is truly a benefit to have your employees giving you feedback on menu items they love. We have changed so many things because of employee feedback on meals that they could never have afforded otherwise.

15 Tighten your workers' compensation system so you can monitor employee return dates if time is lost from work. We did an audit for a three-year period, and we found that we overpaid for many days of "wage loss" time because we did not know how long it would be before the doctor authorized an injured employee to go back to work. Now, when somebody gets hurt, we fill out the accident report and present it to the doctor with a stamped postcard. When the doctor fills out the postcard and mails it, we know exactly when the doctor says that person can go back to work. And once that day comes, the meter stops running.

16 Implement a voluntary call-in system for your servers. All of you have people in your operation who want to work extra hours. What we have done is to build an "on-call" slot into almost every shift. It is a voluntary system, but it allows us, without overscheduling, to better manage our labor pool.

How many times have you said to yourself: "Last Thursday night, we did 111 dinners. I had three servers, but they lost it there for a while. I better schedule a fourth?" And what happened when you scheduled a fourth server? You did 63 dinners. So you schedule three and have the fourth be an "on-call" person.

This is how our system works: At a prescribed time the on-call employee calls and asks, "Do you need me; do you want me?" If we need the employee, he or she comes in.

We tracked this system for six months; it dropped our direct labor costs by 1.2 percent in the dining room. And it changed the way the host and hostess managed the floor. They had fewer people. They worked it harder. But they always knew that if disaster struck, Sally or David was going to call at 6:00 p.m. and would come in if necessary.

I want to stress that this "on-call" system has to be voluntary. If you require your employees to do it, then you have got to pay them even if they do not work. ❑

FREQUENT DINER PROGRAMS

GETTING CUSTOMERS BACK AGAIN & AGAIN

In 1981, came the frequent flier programs for air travelers. Then, two years later, the hotel industry launched frequent guest programs for hotel patrons. Now, in 1987, more and more restaurateurs are considering frequent dining programs. These programs can reward loyal patrons and play an important role in a restaurant's marketing efforts.

Imagine the following scenario. It is early Saturday evening at the Smith home, and Mr. and Mrs. Smith are discussing where to go for dinner. "Should we eat at our old favorite Restaurant X tonight or maybe try that new place Restaurant Y, which has just opened?" asks Mr. Smith.

"I think we should go to Restaurant X again," replies Mrs. Smith. "You know, we have just 10 points to go until we qualify for our two free theater tickets under their frequent dining program."

Meanwhile, the Smiths' teenage children are debating whether to go out for a hamburger or a pizza. They finally decide on pizza. The reason: One more visit to the pizza restaurant and they will receive a free large pizza the next time they visit.

★★★

The benefits of rewarding loyal customers cannot be underestimated. Restaurateurs have always realized that the repeat customer is important to developing and maintaining a successful operation. With some restaurants suffering from a decline in customer loyalty, the time may be right to borrow an idea which is working in the airline and lodging industries.

Both the airline industry's frequent flier programs and the lodging industry's frequent guest programs have made enormous strides towards developing loyalty among their most frequent customers. These industrywide programs identify and reward those individuals who use their "products" frequently.

Restaurant programs already in existence

Some restaurants have already begun to model frequent diner programs after those in the airline and lodging industries. The 100-seat Hampshire House, which overlooks Boston Commons in Boston, MA, offers a fine dining environment in a turn-of-the-century mansion.

Thomas Kershaw, owner and president of the Hampshire House Corporation, started his frequent diner program more than one year ago and modeled

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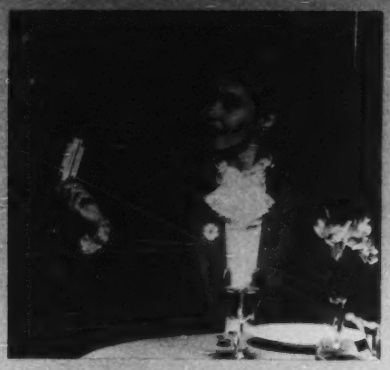
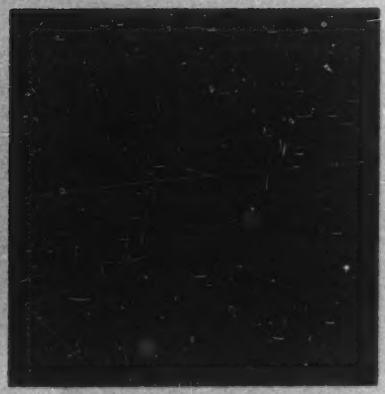
Hudson Riehle is research manager for the National Restaurant Association.



by Hudson Riehle



it after the frequent flier programs. Born in the bleak winter months of January and February in an effort to boost sales after a successful fall and holiday season, Hampshire House's Frequent Dining Program now includes more than 100 members. Kershaw views it as a permanent addition to his marketing efforts. He notes that "The program gives us a great opportunity to recognize those individuals that come here often. It has helped us keep our name in front of our best customers and even helps us remember events of special importance to them, such as birthdays and anniversaries."

The program offers a win-win situation since it provides the Hampshire House management with a means to identify its frequent patrons, and it gives guests frequent dining points which can be redeemed for a variety of bonuses at the restaurant. The redemption possibilities include bottles of wine or champagne while dining, free meals and even restaurant gift certificates.

In addition, members of the Hampshire House Frequent Dining Program receive a preference in making reservations as well as free evening parking at the nearby Boston Commons Garage. Members also may take part in the Hampshire House Beacon Hill Wine Society's monthly wine tastings and two special frequent diner receptions at no cost.

The Hampshire House's frequent dining awards are based both on the number of individuals in the dining party and the actual dollars spent by the frequent dining member. For example, a party of four spending $40 would accrue 80 points for the occasion. (Ten points are awarded for each diner—for a 40-point subtotal, and one point is earned for each dollar spent—for an additional 40 points—bringing the total to 80.) With Hampshire House's program, 10 points may be traded in for $1.00 of merchandise, so this one meal occasion ends up producing $8.00 of credit toward future purchases.

Blue Mesa gives club card

Philip Marienthal, owner of Blue Mesa, a Santa Fe-style restaurant in Chicago, IL, started his frequent diners club in 1985. Marienthal says he "wanted to get people here on a more frequent basis. The program has definitely brought us more repeat business. It really has no downside to it."

Unlike the Hampshire House program, which allows frequent diners to

Popularity of frequent user programs grows

When American Airlines originated the first frequent flier program in 1981, no one could have foreseen the long-range effects such a marketing development would have. Today, every major airline and most lodging chains have set up some type of frequent user program to promote customer loyalty.

Hotels and airlines are now in a symbiotic relationship, attempting to funnel specific airline patrons to specific hotels and vice-versa. Their large computer systems are particularly advantageous to maintaining and monitoring the increasingly complex benefits and prizes associated with the programs. Benefit levels are now changing incessantly, and the frequent user programs are a logical alternative to direct corporate discounting. The programs offer a strategic advantage in generating traffic at off-peak seasons and locations.

The programs have become a permanent feature in both airline and hotel marketing strategies, and the potential exists for the foodservice industry to follow suit. In fact, it may become a competitive necessity. Many hotels have already developed their own frequent dining programs since restaurant charges by a registered guest are credited in their frequent guest programs.

However, one cloud looming on the frequent user program horizon is how the Internal Revenue Service (IRS) views the rewards. In the very fine print in the general terms and conditions section of one of the most famous hotel frequent user programs, the user is warned: "Determination of tax liability is the responsibility of the program participant." With one major hotel chain now offering up to $1,000 savings bonds in its frequent user program, this issue is sure to become more controversial in the future.

accrue points based on the number of visits and dollars spent at the restaurant, Blue Mesa diners are presented with a frequent diners club card each time they visit the restaurant. The more cards frequent diners collect, the more complimentary food and beverage items they are capable of receiving. Once five cards are obtained, a diner is entitled to two free dinners and two free margaritas and is eligible to win a grand prize of dinner and theater tickets for two. But even one card can be redeemed at the next visit. One card is good for one margarita or appetizer; two cards are good for two dessert specialties; three cards are good for two margaritas and one appetizer of choice, and four cards entitle the holder to two lunch entrees.

Marienthal estimates that between 30 and 40 percent of Blue Mesa's frequent diner cards are redeemed. He believes the program "has a ripple effect. People who come in to redeem their cards are likely to bring friends with them who, in turn, receive their own frequent dining cards and start collecting them." In addition, the program creates more interaction between customers and waiters. Servers must initial the cards and personally hand them to the guests (instead of leaving them in the folder with the check). At the end of the season, the waiter with the most redeemed cards is awarded a prize. "The waiters have to be part of the promotion in order for it to be successful. This contest creates a friendly rivalry among them," explains Marienthal.

One interesting aspect of the Blue Mesa frequent dining program is that the program is run only at off-times of the year, usually before summer and the major holiday periods. Restrictions limit the time of day, day of week and time of year during which the cards may be redeemed. Frequent diner cards are valid only on weekdays for lunch and Monday through Thursday from 5:00 p.m. to 6:30 p.m.

Whether to restrict the redemption of frequent diner awards is specifically related to what the operator is attempting to gain from his frequent dining program. While Blue Mesa uses its program during slack times, Hampshire House decided not to restrict its members' redemption options. Kershaw observes, "People come here at regular times, and we didn't want to try to force them to alter their schedules."

Caramba validates cards with punches

Caramba, four upscale Mexican establishments located in New York, NY, initiated its frequent dining program in mid-January of this year. Referring to Caramba's "Frequent Biter" program, co-owner Paul Seaman is calling his program "an incredible success. Our customers have responded tremendously. It has reinforced their loyalty to us, and the program is our way to say 'thanks.'" Seaman estimates that between 50 and 60 percent of his patrons participate in the program.

He adds that the enthusiasm for the program is self-generating. "It is a customer-motivated program," he notes, "because the customer wants to take advantage of it." Seaman used to joke with his frequent patrons about getting them a frequent diner card. The joke is now a reality. In addition, Seaman wanted to build more contact between his managers and his guests. The manner in which he structured Caramba's program forces the managers to meet with customers and to validate the frequent diner cards with a special set of punches. With 10 "bites" on the frequent diner card, the holder is entitled to a free entree at any one of the four Manhattan restaurants. Seaman is considering adding a grand prize to the program called, "The Ultimate Bite."

"The 'frequent biter' program basically manages itself now. There is no burdening bookkeeping associated with maintaining a frequent patron's point tally, and the result is that we really have developed a tremendously loyal following, well above our previous levels," notes Seaman. To publicize Caramba's frequent biter program, Seaman relies on his public relations agency, local press articles and radio advertisements.

Blue Mesa's frequent diner program has also had the assistance of a public relations firm to generate additional public interest. Fliers and a free frequent diner card were distributed to selected individuals at major corporations in the Chicago area to promote the program and restaurant.

Thomas Kershaw at Hampshire House reports that he has relied upon "the warm puppy theory of marketing to publicize his program. If diners take our frequent dining program literature back to their offices and report what a wonderful time they had at our restaurant and that they joined our frequent dining program, others will follow. Word-of-mouth is the best form of advertising."

House charge can be program vehicle

Fourways, an elegant continental restaurant in Washington, DC, is using its

...A few of the more world-shaking questions you have probably asked yourself about the Caramba "Frequent Flyer" Program:
Who "bites" my card?
Only a Manager--they're the only ones with the proper dentures.
How long do I have to wait before you'll "bite" me again?
Be our guest...if you're hungry again in two hours, come on in and eat again--we don't mind! The only requirement is that you have a full meal--appetizers or drinks alone don't count. If you want to have three meals a day at Caramba, we'll gladly "bite" you three times.
How many "bites" must I endure before I get my FREEBIE?
We're going for your jugular ten times before you get anything from us! The good news is that you can select from any entree on the menu...

house-charge framework to manage its frequent diner program. Attempting to reduce its patrons' business entertainment tax losses, the house charge card now provides various conveniences, privileges and bonus awards. When a Fourways frequent dining patron reaches $2,500 of expenditures in a 12-month period, he or she is eligible for four "dining invitations" worth an estimated $250. An annual charge of $7,500 entitles the holder to four nights at the Fourways Cottage Colony in Bermuda.

Another variation of the charge concept is the Stouffer Hotels Fine Dining Club, where the redemptions are complimentary accommodations at Stouffer properties throughout the United States. Each dinner entree charged to a specific travel and entertainment card at participating restaurants qualifies the frequent diner for a gold medallion sticker. When the member collects 20 medallions, he or she becomes eligible for a complimentary Friday or Saturday night stay at participating Stouffer Hotels. Higher levels of medallions entitle the frequent dining patron to more luxurious weekends.

Stouffer Hotels originated its Fine Dining Club in 1985. According to Joseph Riley, director of public relations for Stouffer Hotels, "We've found the program to be quite popular with our guests. We foresee running the program indefinitely." There has been no major change in the program since its inception, and it has been promoted principally through direct mail, especially to members of Club Express, Stouffer Hotels' frequent traveler program.

Some questions to consider

The restaurant operator who is considering developing a frequent dining program must determine what his or her major marketing objectives are and how such a program can complement those objectives. Some questions to consider at the start of a frequent diner program are:

□ What is the major objective of the program? Does it fit in with your restaurant concept?

□ Will the program run all year long or seasonally?

□ Will there be an expiration date for reward redemption?

□ Will there be blackout periods for specific days of the week? Specific meal periods? Specific times of the year?

□ What type of customers will the program cover?

□ Will program benefits accrue to the frequent diner or the corporation the individual works for? Or both?

□ How many members will the program cover? Should there be a limit?

□ What type of rewards will be offered?

□ Will the rewards be based upon the number of visits? The total dollars spent? Some combination?

□ What percent of the rewards do you expect to be redeemed?

□ How will the points or visits accrued be recorded?

□ Is there a frequent diner program in direct competition in the area? If so, how might it affect your program?

□ Is the program flexible enough to be modified quickly?

□ What safeguards can you build into the program to guard against misuse?

In sum

Despite different structures and reward systems, the current frequent diner programs have a common objective: to separate and identify those customers who are important to the restaurant. At present, frequent dining programs are still limited to only a few restaurants. While major restaurant chains have not entered into the frequent dining arena, they do offer similar techniques, such as games and other various promotional efforts, to increase their repeat business. It is conceivable that some restaurant chains will eventually examine the competitive advantages of instituting their own nationwide frequent dining programs on a permanent basis.

Airline fliers and hotel guests have become conditioned to having their loyalty rewarded, and it is likely that the restaurant industry will not be far behind in its effort to forge new brand loyalty among its frequent patrons. The diversity of restaurants will undoubtedly spawn many equally different and sophisticated frequent dining programs. ❑

Understanding customer loyalty

One of the major objectives of any frequent dining program is to instill "brand loyalty" in the restaurant patron. But what is brand loyalty and how can a restaurant operator develop it among his patrons?

Most consumers can be segmented according to their loyalty patterns. Restaurant patrons are no exception. Consumer loyalty can basically be divided into four major groups, according to Philip Kotler's book, *Marketing Management*.

The groups are

□ **Hard core loyals.** This classification would include restaurant patrons who show loyalty to a specific restaurant or chain. Example: a businessperson who eats lunch at the same establishment virtually every working day or a family who frequents the same restaurant every Saturday night.

□ **Soft core loyals.** Restaurant patrons who are basically loyal to two or three different restaurants or chains would fall into this classification. Example: A couple who usually dines out on Friday night but rotates between several different restaurants on a recurring basis.

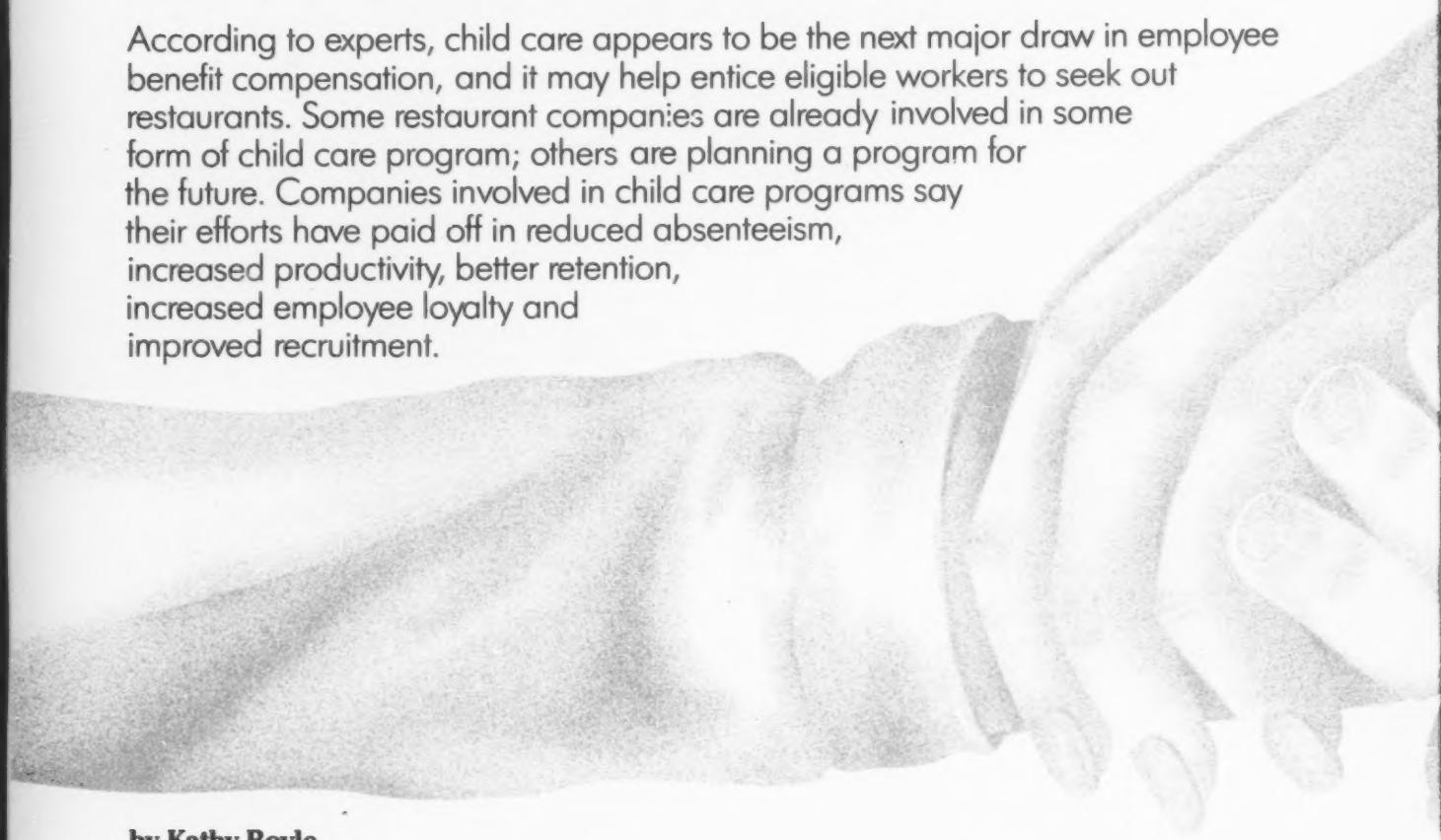
□ **Shifting loyals.** This classification categorizes restaurant patrons who are in the process of switching their loyalty from one or several establishments to new ones. The reasons can be quite varied, ranging from a decline in service to increased use of carryout.

□ **Switchers.** These consumers show little loyalty to any restaurant or chain. Research has shown these individuals are motivated mainly by price and the persistent desire to try something different.

A frequent dining program is directed to reward a patron's loyalty to a specific restaurant or chain of restaurants. It thanks those patrons who are the hard core loyals. In addition, the program aims to turn soft core loyals into hard cores and increase brand loyalty levels among other individuals.

CHILD CARE
The Fringe Benefit of the 1990s?

According to experts, child care appears to be the next major draw in employee benefit compensation, and it may help entice eligible workers to seek out restaurants. Some restaurant companies are already involved in some form of child care program; others are planning a program for the future. Companies involved in child care programs say their efforts have paid off in reduced absenteeism, increased productivity, better retention, increased employee loyalty and improved recruitment.



by Kathy Boyle

When companies think of child care, what most often comes to mind is the expensive proposition of building and operating a child care center. Although an on-site center may be a viable solution for some companies, there are many less formidable and less expensive alternatives that have been well received by employees. Options include working with local agencies to refer employees to qualified child care providers, payroll deductions for child care, financial support of specific child care centers or underwriting a portion of an employee's child care expenses.

Kathy Boyle is a free-lance writer in the Washington, DC, area who writes frequently for **Restaurants USA.**

Paying child care expenses

Among the most ambitious child care programs in the restaurant industry are those where employers pay all or a percentage of their employees' child care costs. A Burger King franchisee in Grand Rapids, MI, who operates 23 units and employs approximately 1,200 people, is one of the first people in the industry to pick up the entire tab for day care. The program was implemented in November 1986. "It was developed as a recruitment tool to heighten our public image, but it has since helped reduce turnover. We are very proud of the program," says Jayne Thome, human resources coordinator for Burger King of Grand Rapids. "We knew there were a lot of moms out there who would like to have a job but, because of taxes and child care expenses, it was not worth their while to work. With Burger King paying for child care, we are making it possible for these moms to work. The care is offered between the hours of 7 a.m. and 2 p.m.," says Thome. "We also pay for 15 minutes driving time to and from the child care provider."

In running the program, Burger King works with the local office of Community Coordinated Child Care (4-C), one organization which coordinates individual child care needs with available resources. Currently, 95 percent of the child care providers for Burger King work out of their homes since most

Suzanni

day care centers in the area were already filled when the program was implemented.

All the providers are state-licensed and trained in CPR and/or first aid, and most offer a USDA-recommended snack or lunch program. "These people are professionals," says Thome.

Burger King pays up to $1.50 per hour per family. In most cases this is 100 percent of the cost. According to Thome, there is not much paperwork involved. Providers are paid directly. "I get a time card for each employee and then pay the provider for the eligible hours."

"Not an altruistic goal . . ."

Several other operators pay a percentage of their employees' child care costs. JP Hotels, a 14-unit division of W.B. Johnson Properties, Inc., in Atlanta, GA, has paid 25 percent of the employees' child care costs since May 1984. "Every time we surveyed our employees regarding the kinds of benefits they needed, child care consistently kept appearing at the top of the list," says Larry Martindale, president of JP Hotels. "Solving the child care problem is not an altruistic goal. It seemed to us that an effective child care program is simply a matter of good business."

After exploring various child care options, JP Hotels also chose to work through 4-C—but through its branch in central Florida. The 4-C organization trains child care providers and works with child care facilities that are then certified or approved by the agency. According to Martindale, 4-C contracts with providers at a rate which is as much as 25 percent lower than what would be charged to families walking in off the street. 4-C can then pass this more attractive rate along to the employees of JP Hotels.

The JP Hotels program is fairly comprehensive. Each employee's participation in the child care program starts with an interview with a 4-C social worker at the work site. JP provides the time for the employee interview during regular working hours; 4-C provides the caseworker to determine what child care services are needed. After this interview, the 4-C caseworker recommends several 4-C-approved facilities that meet the identified needs, and he or she can also help employees secure additional forms of financial assistance.

In addition, 4-C takes care of all the insurance, liability and administrative details, "thus eliminating what could have been a nightmare of an administrative burden for us," says Susan Bradshaw, director of advertising and public relations in the Orlando, FL, office.

JP Hotels is presented one invoice monthly, showing total costs. Participating employees pay their share of costs directly to the child care facility. Costs for the employee are determined after any other available assistance has been received and applied, such as federal or state assistance.

"Although our employees benefit from this program, the real benefit is to our productivity," Martindale states. "We have successfully reduced absenteeism and tardiness due to child care-related problems. Reduced turnover, improved productivity plus possible positive tax benefits are just three of the advantages of this kind of program." Martindale explains that whether an operator pays all or some of the cost of child care, he or she should be sure to identify all of the legitimate tax benefits involved—both state and local.

"Solving the child care problem is not an altruistic goal. It seemed to us that an effective child care program is simply a matter of good business."

A different version of this approach to child care assistance is offered by Pizza Hut which is headquartered in

Among the most ambitious child care programs in the restaurant industry are those where employers pay all or a percentage of an employee's child care costs.

Wichita, KS. The company limits its child care contribution to a 10-percent discount at La Petite Academy, a nationwide chain of child care centers with several locations close to corporate headquarters.

Referring employees to child care providers

A number of other companies make an effort to refer employees to child care providers. Since April 1986, McDonald's Corporation, headquartered in Oak Brook, IL, has been testing a pilot program in seven of its 30 regions. Known as "Child Care Resources and Referral," the program is coordinated through the McDonald's corporate offices. According to Terri Capatosto, manager, media relations for McDonald's, "We network the local agencies in an area to learn of child care payments, locations and hours. We do a lot of the research for the parents. Then, when we have an employee who needs this information, we combine our research with where they live and with their working hours and come up with three recommendations for them based on locations, services and hours. Of course, we don't decide which one they should take, but we do provide a guide to good firms."

To run the program effectively takes the cooperation of local McDonalds' personnel. Capatosto explains that McDonalds views this program with much the same attitude as it does its sports and activities programs for youth. "When we go into a community and find they don't have sports activities available for youth, we develop McDonald's sports centers and work with the community," Capatosto says. "It is the same idea with child care. If there are no child care facilities, we will go into the community and recruit and train to create facilities."

Payroll deduction

Several employers are now offering child care as a pretax payroll deduction. Judy Mascio, human resources manager of U.S. Restaurants, Inc., Norristown, PA, which operates 52 restaurants in eastern Pennsylvania and southern New Jersey and employs 3,500, explains that the company recently began offering flexible spending accounts. "The ruling has been around for a while under IRS regulations, but we recently implemented a new benefits program on February 1, 1987, and began offering a child care deduction option. Pretax money is withheld. We put money into an account for employees to reimburse themselves for qualified expenses," says Mascio. "Not too many people have yet taken advantage."

Employees at Burger King's headquarters in Miami, FL, can also choose child care as one designated benefit. "Any of our 600 employees can assign their pretax money for child care," explains Jo Hutcherson, assistant manager of public relations for Burger King. "They can save a little since it is pretax dollars they are assigning to their benefit account."

Child care center debated

A few companies are looking closely at building a child care center on-site. "Our new headquarters is scheduled to open January 1, 1988, and several months ago we did a survey to check the desirability of having a child care facility in the new headquarters building," says Hutcherson of Burger King. "No final decision has yet been made, but, if we do it, a new building will have to be built for the facility. Still, it is one of our top priorities." Hutcherson notes that although the child care would be conveniently located, it would not be free.

Pooling resources?

Some believe that child care may be a problem the industry will want to tackle together. Michael S. Landram, director, human resources for Rax, located in Fort Wayne, IN, says, "I wonder if this is not an area where food competitors can pool their resources to form a cooperative effort—each contributing something toward a day care facility in a central location. In this way, we could offset the cost of such a venture, and, in return for employment, we could cover a percentage of an employee's child care costs. Every company could offer it as a benefit.

"Perhaps with such a benefit we could entice some of the post-baby-boom mothers back into the job market for a three to five-hour shift. With current wages and child care running around $1.50 an hour, they are not encouraged to come to work. If we co-opted the day care and reduced the cost of child care by one-half, we could have a new pool of employees. Everyone would benefit." ❑

Child care kit

The National Association for Education of Young Children (NAEYC) has developed a kit called "Child Care Makes It Work." The kit describes five child care options for employers and deals with quality in child care selection, providing employers with criteria the organization uses to accredit centers. The five child care options are

1. **Creating or supporting services**
   - ☐ care for sick child
   - ☐ school-age child care
   - ☐ family child care
   - ☐ consortium center care
   - ☐ center at or near business
   - ☐ vacation care
2. **Providing information**
   - ☐ child care resources and referral services
   - ☐ information on parent education
3. **Providing financial assistance**
   - ☐ discounts
   - ☐ vouchers
   - ☐ flexible benefits
   - ☐ flexible spending
4. **Sharing in community solutions**
   - ☐ donations—financial, in kind
5. **Easing time constraints**
   - ☐ flextime
   - ☐ part-time work
   - ☐ job-sharing
   - ☐ work at home
   - ☐ personal leave
   - ☐ parental leave.

The kit is $12; orders for less than 25 copies must be prepaid. For more information about the kit or other information, such as professional child care organizations in your area, write NAEYC, 1834 Connecticut Ave., N.W., Washington, DC 20009.

RESTAURATEURS FUME OVER MANDATED BENEFITS

PARENTAL MEDICAL LEAVE BILL

by Jay Morris

Restaurateurs are flat-out opposed to the concept of federally mandated benefits. But, unless the National Restaurant Association and its allies can stop it, the Parental and Medical Leave Act (H.R. 925, S. 249), a bill that would force employers to grant extended parental and medical leave to workers, may be passed by Congress.

"The minute the government tells you what to do, you're in trouble," says Gretchen Mathers, in a very typical reaction to the bill. "Pretty soon you'll find yourself giving your employees paid leave, and then you'll have other mandated benefits staring you in the face," explains Mathers, who has three cafeteria-style restaurants in Seattle, WA.

What the bill calls for

The legislation would require employers to provide a worker up to 18 weeks (four and one-half months) of unpaid parental leave in a two-year period for the birth or adoption of a child, or the care of a sick child, and up to 26 weeks of unpaid disability leave in one year for a serious family illness. Businesses with fewer than 15 employees would be exempt from the legislation.

Jay Morris is manager of government research and publications and editor of the **Washington Weekly** *newsletter at the National Restaurant Association.*

nesses with fewer than 15 employees would be exempt from the legislation.

The most controversial provision—and the one that restaurateurs say would cause them the most headaches—is a requirement that a leave-taker be given back his or her job, or provided a comparable one, when he or she is ready to return to work. In addition, an employer would have to continue to provide company health care benefits during the leave period. The legislation also calls for the establishment of a commission to study the feasibility of requiring employers to provide *paid* leave at some future date.

The bill was introduced by U.S. Rep. William Clay (D-MO) in the House and by Sen. Christopher Dodd (D-CT) in the Senate. Because both Dodd and Clay chair the labor subcommittees responsible for handling their respective bills, the legislation has been put on a fast track. Hearings have already been held in both chambers, and markup of the bills is expected to begin shortly.

The legislation is one of several so-called "mandated benefits" bills now being considered by Congress. With federal revenue sources drying up, these bills look to the private sector to underwrite broad, new government initiatives, such as providing all workers with job-protected leave or guaranteeing minimum health care benefits. The parental leave bill is the first of these measures out of the legislative chute and so far has caused the most apprehension among business people.

Already, employers, who believe the private sector is best equipped to respond to the changing demands and requirements of its workers, have squared off against the bill's supporters—mainly organized labor and women's organizations. Neither side disputes the fact that significant changes in the work force now require that greater attention be paid to parenting and health care. The question is whether the federal government should force businesses to accord special treatment to family responsibilities by mandating job-protected leave for illness or the care of a child.

Restaurateurs clamor against bill

Restaurateur reaction to the bill has been anything but mild. "Totally unfair and unworkable" is the assessment of John Weichman, owner of Weichman's All Seasons' Restaurant in Mobile, AL. "You're just kidding yourself if you think you can replace employees on a temporary basis," says Weichman. "A lot of these positions require specific skills—recipe preparation, cooking and proper presentation and service. You just can't get replacements off the street, and you can't afford to keep extra employees on the payroll just to fill in, either. It's a real 'Catch 22' situation . . . what are you going to do when the

person on leave is ready to come back? Put the person you've hired in the meantime on unemployment?"

William Saigh, who operates the Lettuce Leaf restaurants in St. Louis, MO, agrees. "Business has to move along—you have to fill a vacancy or you go down the drain. You just can't hold these jobs open," he says. "In the restaurant industry, the jobs can be very dissimilar, which makes it just about impossible to fill a job temporarily."

Roger Kirwood, president of Fitzwilly's, New Haven, CT, calls the proposal, "The straw that could break the camel's back." Others say they believe the bill could end up hurting the very people it is supposed to help because employers would be leary of hiring pregnant women or someone with a bad health history.

Small operators are worried

Opposition to the bill has been especially intense among small operators and independents, who believe they have the most at stake if the legislation becomes law. Denise Fugo, who operates two restaurants, Sammy's and the 10th St. Cafe and Wine Bar in Cleveland, OH, called the proposal "anti-small business" when she spoke against the bill during a March hearing before the House Labor Subcommittee on Labor-Management Relations.

Fugo presented testimony on behalf of National Small Business United, a small business trade association. She says small operators are worried that Congress will use "the back door to enact more social initiatives" and look to employers to "shoulder the entire burden. Small employers, who often find it difficult to absorb or pass on significant increases in operating costs, could be left with no option other than to offset any federally mandated increase in labor costs with a similar decrease achieved through wage reductions or freezes, reductions in other fringe benefits or even layoffs."

Large companies concerned about reinstatement clause

Small firms may be especially hard-hit by the bill, but large companies are equally concerned about its effects. Bob Dankmyer, director of employee benefits for Marriott Corporation, headquartered in Bethesda, MD, says that "Among the people I talk to in the industry—and these are all large employers—the reaction is the same: they don't want mandated benefits, no matter how well-intended.

"Our major problem is the requirement that an employee be reinstated when he or she is ready to return. As a practical matter, we already allow Marriott employees a leave of absence of up to one year. When they want to come back, we give them first consideration for openings for which they are qualified. But we can't guarantee them their old jobs. There just isn't any fat in our payroll. When someone leaves, even if it's just to go on vacation, we have to adjust schedules. We can't just hold that job open."

Dankmyer adds that "qualified replacements will be tough to find, especially if they know they won't be able to stay on after the leave-taker returns. We'll also have the added cost of training these replacements."

Bill could cost private sector $27 billion

Exactly what effect the bill would have on the economy is difficult to determine, but the U.S. Chamber of Commerce asserts that it would cost the private sector $16 billion for parental leave and another $11 billion for disability leave, for a total cost of $27 billion. According to the Chamber, the largest costs incurred by employers would be the cost of hiring temporary replacements for workers who are on leave and the lower productivity that would result from replacing regular employees with temporaries. However, the Chamber's estimates are considered too high by many observers and have carried little weight in Congress.

"No study I've seen indicates there will be any great additional cost," says Sen. Dodd. In fact, he argues the opposite is true. "Companies who have already instituted parental leave policies find they are better able to attract workers and increase their productivity and at the same time decrease

CARE group fights mandated benefits

Last December, the National Restaurant Association, other trade organizations and several U.S. firms formed the Concerned Alliance of Responsible Employers (CARE) to lobby against mandated benefits legislation and to promote the current voluntary system of determining what benefits to offer employees.

Membership in CARE now numbers 150 and includes a wide range of employers and trade groups. As one of the founders, the National Restaurant Association has played a key role in CARE's development as the leading voice for employers on issues concerning benefits. The association serves on CARE's steering committee and heads the group's legislative committee.

In recent months, CARE has testified against the parental and disability leave act, voicing its opposition to the bill in numerous visits with members of the House and Senate and at organized grassroots meetings with targeted members of Congress.

CARE's message to Capitol Hill is that it is better to encourage benefits than to require them. The group emphasizes that flexibility is the key to satisfying employees' benefits needs. CARE also sees the issue of mandated benefits as part of the bigger question of U.S. competitiveness. It asks Congress not to tie the hands of employers who are trying to compete more effectively with other countries.

May 19: CARE phone-in day

Restaurateurs can help CARE get the message to Capitol Hill on May 19 when CARE conducts its first "phone-in day" on the mandated benefits issue. CARE is asking all its member organizations to urge their members to call their U.S. representatives and senators and express opposition to the Parental and Medical Leave Act (H.R. 925, S. 249). If you would like to help, simply call the U.S. Capitol switchboard at (202) 224-3121 and ask for your senators and representative. Tell them you are calling on behalf of CARE and that you oppose H.R. 925 and S. 249.

"A lot of these positions require specific skills—recipe preparation, cooking and proper presentation and service. You just can't get replacements off the street, and you can't afford to keep extra employees on the payroll just to fill in, either . . ."

absenteeism and turnover," he says.

To get a better handle on expenses associated with the bill, Dodd has asked the Government Accounting Office to arrive at an impartial estimate of how much it would cost. That study is now underway.

U.S. work force is in transition

The seeds of the legislation lie in dramatic changes that have occurred in the U.S. work force in the last decade—namely, a significant increase in the number of working women. Men and women are now in the work force in roughly equal percentages, and close to half of all mothers with infants under one year of age hold a job. According to recent estimates, 90 percent of all working women are likely to become pregnant at some point during their childbearing years.

Added to this trend is the alarming increase in the number of single-parent households due to the rising divorce rate and number of out-of-wedlock births. Today, less than 10 percent of families are couples with children where the husbands are sole providers.

"Unfortunately, this new economic environment has taken its toll on the American family," says Clay. "Currently, there is no protection for workers who need leave for certain family or medical responsibilities," Clay says. "Workers require minimum job protection when they are needed to care for a newborn or seriously ill child or parent."

Clay claims that his legislation "goes to the cause of the stress felt by families. It provides a floor of protection." Clay and his supporters believe job-protected leave should be a right accorded all employees. At present, only minimum wage, unemployment compensation and Social Security are mandated by the federal government.

United States law does prohibit discrimination in employment on the basis of pregnancy. Employers are required to grant leaves to women unable to work due to pregnancy and childbirth on the same basis that leaves are granted for short-term disabilities of any kind. In addition, nine states (CA, CT, HI, KS, MA, MT, NH, OH and WA) have adopted laws guaranteeing some form of job-protected maternity leave.

Restaurateurs prefer voluntary system

Restaurateurs believe that employees are best served, not by a mandate from Washington, but by the voluntary benefits system currently enjoyed by employers and employees. "If you're a responsible employer, you'll make arrangements with your employees—maybe better than what the feds would mandate," Mathers says.

"I'm very open to working things out on a case-by-case basis," she adds. "I've only had one experience with an employee who had to take maternity leave. She was a very valuable employee, and I would have been thrilled to have her come back, but she didn't want to return."

"We deal with our employees every day, person-to-person," says Stephen Barba, president of The Balsams, a resort hotel in Dixville Notch, NH. "We know what they want; they know what we want—together, we all want a successful business. What is best for the future success of this business is determined by management and staff together. We do not need government interfering with this relationship."

Other operators have similar stories. "We have two people out now. A manager and I have been filling in," says Saigh. "We provide maternity leave, and we continue medical care while they're out. Good employees are hard to find, so there's an incentive to hold onto them, to try to accommodate them." Says Weichman, "Everybody works together when someone is out. My policy is that anyone on leave gets a chance at the first opening when he or she is ready to return. Sometimes we can cover for them, especially in the slower seasons. Usually, they have ended up with their old jobs."

A number of studies show that most employers have instituted some type of policy to accommodate family responsibilities. Among such programs are alternative work schedules, flextime, reduced workweeks, job-sharing, part-time employment, employee-assistance plans, day care and day care subsidies and vouchers. One survey shows that almost all (95 percent) of the Fortune 1500 companies already provide parental and disability leave.

Mandate stifles flexibility

Many operators fear that the legislation's strict mandate would stifle the trend toward flexible benefits, or so-called "cafeteria" plans, which have worked well for both employers and employees. A typical cafeteria plan allows an employee to tailor a benefit package to his or her personal needs, choosing from a group of benefits that may range from child care services to a retirement plan. But the legislation would require employers to make parental leave a fixed benefit, even if very few employees have use for it.

Employers already spend an average of 40 percent of their payroll costs on benefits, so it is very likely that a business faced with a new mandate would have no choice but to limit the range of benefits it offers. According to U.S. Rep. Dick Armey (R-TX), an opponent of the bill, "A mandatory parental leave benefit would not increase the size of benefit packages, but rather limit the size and number of other benefits.

"We ought not ignore the costs to those employees who have no need for or cannot afford to take advantage of the parental-leave option but would be required to carry the load for those who do," he says.

Armey is not alone in his opposition to the bill, and, with a strong show of strength from the business community, there is a chance the bill will not survive a floor vote. ❑

by Cecelia Niepold

DO-IT-YOURS

Although designing a restaurant can be an involved, often intimidating task, not all restaurateurs turn the job over to professional designers. Some prefer to take on the task themselves, believing a restaurant's personality is best communicated by its owner.

For these do-it-yourself restaurateurs, the rewards of bringing their concept to life exactly as they envision far outweigh the risks of possible design mistakes. "A restaurant is a personal statement; it should have a kind of soul," explains Danny Meyer, who designed his 120-seat Union Square Cafe in New York, NY. "If you hire someone else to create the design, you lose that."

Jim Bernstein, president of Bensons, Inc., a four-restaurant operation in the Cincinnati, OH, area, agrees. "A designer isn't necessarily going to design what the operator wants to achieve," he says. "The lighting, seating density and overall ambiance are all part of the statement an operator wants to make, and it is important that an owner control those ideas."

More control

Besides ensuring just the right ambiance, restaurateurs often design their own establishments because they want to maintain control over the practicality and cost of the design. "Decorators decorate; they don't necessarily build for comfort or functionality," says Kevin Connell, owner of the Yellow Brick Bank in Shepherdstown, WVA, and The Grill at Portsmouth Harbor in Portsmouth, NH—both of which he designed himself. "I've gone to some wonderful looking restaurants with horribly uncomfortable chairs," says Connell.

Jim Bernstein explains why this can happen. "Designers are often more concerned with how something is going to look, not how it works," he says. "They may not address potential problems, like service areas which are not pretty to look at, but are important to think about."

Designing your own restaurant can also mean having more control over the design costs. Working directly with the prices of wall treatments, chairs and other elements can help an operator make more informed purchasing decisions. "I have definitely saved money doing it myself," says Connell. "A designer might have sold me on some things I really didn't need."

How operators handle the design process

Because each restaurant and its owner(s) are different, there is no set formula to design the perfect restaurant. Most restaurateurs who have successfully designed their own establishments do agree, however, that the first step is to develop a clear idea of the look you want to communicate. Exactly how you formulate that idea can vary. Here is how three restaurateurs met the challenge.

★ **Union Square Cafe.** Danny Meyer had neither design nor restaurant experience before developing his own restaurant. What gave him the confidence to tackle the design was simply learning from others. "My res-

Daniel Eifert

Carefully chosen design elements, such as the Italian-influenced archway over the front door, the welcoming mahogany bar and splashes of provocative art, create a distinctive atmosphere at Union Square Cafe.

Cecelia Niepold is managing editor for **Restaurants USA.**

taurant and its design is the culmination of a lot of years of passionately going out to restaurants and developing my own feelings of what I liked and what I didn't like," he explains.

Drawing from his "on-site research," he decided he wanted to create a restaurant with a "timeless appeal, a look that would still appear fresh 20 years from now." He also gained an appreciation for the importance of detail. Consequently, his restaurant includes classic elements, such as wainscotting, cherrywood floors and a mahogany bar, surrounded by splashes of provocative art and architectural details, such as the Italian archway over the front door. "I knew I wanted to have quality details and artwork," says Meyer. "Together, they emphasize what I wanted to convey with the menu and wine list—a kind of comfortable quality."

Meyer hired a contractor and an architect to carry out his vision. "I didn't have the technical skills to do things like knock walls out," he laughs. "But I explained what I wanted, and they made it happen. If a certain fixture wouldn't work, they showed me options that fit the look I was trying to find."

Meyer admits it wasn't easy. "Sure, I made some mistakes which probably cost me some money," he says. "But, in the long run, I think it was worth it." Although it was a challenge, Meyer wouldn't have done it any other way. "I wouldn't want customers to walk in and know the place had been designed by an architect. I think people can really sense the care and detail that went into it."

★ The Grill at Portsmouth Harbor. Kevin Connell didn't have any design training either, but he knew one of his top priorities was to make patrons feel at home in his 105-seat waterfront restaurant in New Hampshire. "Owners have a real obligation to make the customer comfortable," maintains Connell. "That's where I started from."

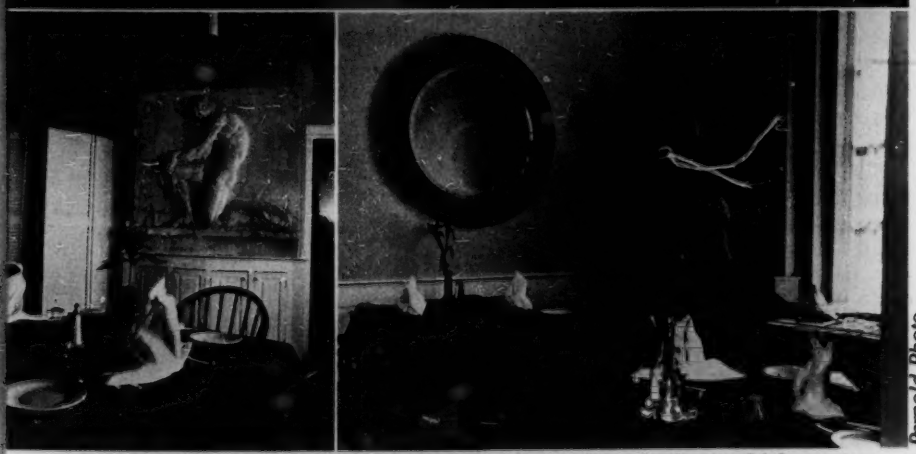
To create the restaurant's look, Connell started with a basic philosophy that "everything the customer touches must be top quality." Consequently, his first decision was to use triple-plated silver dishes, reminiscent of old hotel serviceware, on his tabletops. From there, he decided to use dark-green tablecloths to richly contrast the silver and to echo the dark-colored tugboats anchored outside the restaurant's windows. Because he also likes primary colors, he chose bright red condiments and ashtrays.

Another aim was to make the wall of windows overlooking the harbor the focal point. Consequently, the only other decoration in the room is the wall treatment—salmon-colored walls to warm the space and a light blue ceiling to add height to the natural wood beams.

Although Connell made most of the design decisions himself, he did ask a decorator to double-check his ideas. "There are some color rules you just shouldn't break," he says, "and I wanted to make sure I wasn't violating any." He admits he has made some color errors along the way, but maintains that the experience has improved his understanding of the design process.

Connell is glad he designed his own restaurant and recommends it to others. "Everyone has a different style of restaurant," he says. "If owners participate in the design, they will feel more

SELF DESIGN



Pernold Photo

Subtle decorative accents, such as a porthole-shaped mirror which creates a "window effect" and an unusual plaster relief, add personality to The Grill at Portsmouth Harbor without detracting from the design's focal point—the wall of windows overlooking the harbor.

comfortable in the restaurant because it is designed around their own experience and approach."

★ **Crockett's and the River Cafe.** Jim Bernstein's family has been in the restaurant business for years. With three restaurants in operation, Bernstein had the confidence to orchestrate the design for the most recent concept, a 350-seat, modernized riverboat on the Ohio River. Bernstein gathered his ideas from many sources. "I consciously looked for elements," he says. "I leafed through magazines to see what was new and went to a lot of restaurants to see how people were creating different moods."

Taking advantage of the restaurant's panoramic view of the Cincinnati skyline, Bernstein decided to turn the front walls into one huge window and to mirror the rear walls, so all patrons could share the view. Small beams of light centered on each table provide the only illumination, again to create an interesting glittering effect, much like the lights of the buildings across the river.

Bernstein did ask a professional for help with the architectural plans and with tracking down certain design elements. "I'm not an interior design student," he says, "but I do know what the major components should look like."

During the day, walls of windows and mirrors create a bright airiness at Crockett's and the River Cafe, while at night the lights of the city and the ceiling spotlights produce a dramatic, sparkling effect.

Is do-it-yourself design for you?

Designing a restaurant can be a difficult process. Unlike a menu, wall treatments or carpets cannot be changed easily if they don't work. Some restaurateurs may simply be more comfortable letting professionals coordinate the design plan. "I don't think designing a restaurant is for all operators," says Bernstein. "Some people just aren't sure what they want, and it is easier to let someone else's eyes make the decisions."

Whether you choose to do your own restaurant or not, it is still a good idea to become as involved in the process as possible. As Jim Bernstein says, "Designers are going to design the restaurant once. It's the operator who has to operate it for years." ❑

PROTECT

Restaurant owners and managers are sometimes surprised to learn they can protect the design and packaging of their restaurant operations by using the laws of trademark and trade dress. These two kinds of law are similar in that they constitute two kinds of intellectual property law which protect the image of a restaurant. First, the trademark law allows the building design to be registered as a service mark in the U.S. Patent and Trademark Office. Second, a competitor who pilfers a restaurant's unique packaging design, or trade dress, can be stopped through the use of an injunction.

A building design can be registered

A trademark is a mark that represents the source or origin of goods or services. A service mark is a special kind of trademark used when an owner is selling services, such as in a restaurant. A service mark can be registered in the U.S. Patent and Trademark Office in the same manner as any other mark. For example, registration of a building structure as a service mark under the federal trademark statute (typically referred to as the Lanham Act) gives a restaurant owner strong protection and ample weapons against copiers who attempt to use the same design for their own restaurants.

The interior packaging can be protected

If a restaurant owner wishes to protect the "packaging" or design of the inside of the restaurant, he or she can turn to trade dress law. Trade dress law is an area of intellectual property law that is similar to trademark law because it protects property that an owner has chosen to represent his or her product or service. The trade dress of a product involves the total image of a product and may include features such as size, shape, color or color combinations, texture, graphics or even particular sales techniques. A restaurant's trade dress typically includes the shape and general appearance of the exterior of the restaurant.

If a restaurant adopts a particular trade dress—for example, one that consists of colored candy canes around the windows and doors, aug-

NG A RESTAURANT'S IMAGE

Trademark and Trade Dress Law

by John W. Hazard Jr.

mented by two marble reindeer on either corner of the front of the building—and a competitor opens a restaurant with the same trade dress, a court will ask whether there is a likelihood of confusion between the two trade dresses. The court will inquire: "Are consumers likely to choose one restaurant under the mistaken assumption that the restaurant services are being provided by a party other than the one actually providing them?" Once a restaurateur has established that the trade dress has a secondary meaning—that consumers will recognize the restaurant simply by looking at the particular trade dress and will thereby distinguish it from other establishments—and that the competitor's trade dress will create a likelihood of confusion, a restaurant owner may enjoin the competitor from using that trade dress.

If there is no secondary meaning to the trade dress, then a restaurant owner will suffer no harm if someone imitates that particular trade dress and the law will not act to stop the copying.

An equally important question that courts are forced to come to terms with in trade dress cases is: "Which individual features of a restaurant owner's claimed trade dress are really protectible as trade dress?" To determine the answer to this question a court will divide the features of a particular trade dress into "functional" and "non-functional" features. The non-functional features are protectible as trade dress, but purely functional features are not protectible.

Trade dress cases involving restaurants

There are some interesting trade dress cases involving restaurants. Recently, a Washington, DC, restaurant, Mr. K's, succeeded in stopping a competitor from adopting a restaurant trade dress that was similar to the one being used by Mr. K's. This is the case of *House of Hunan, Inc. v. Hunan at Pavilion*, 227 U.S.P.Q. 803 (1985).

The facts of this case are as follows: In February 1983 the owner of Mr. K's restaurant placed large, white marble lions in front of his restaurant. The owner spent large amounts of money to promote the restaurant through paid advertisements that displayed pictures of the lions. In 1985, another restaurant, the Hunan Rose, purchased identical lions and proposed to place them in front of its operation less than 150 yards from the front door of Mr. K's.

Mr. K's brought suit seeking an injunction to prohibit the Hunan Rose from using the lions in this manner. The owners of Mr. K's won the case because they proved that the placement of lions in front of the Hunan Rose would be confusingly similar to the placement of lions in front of Mr. K's restaurant. The court held that the extremely close proximity of the two restaurants (as well as the past practice of the defendant to associate its other restaurants with Mr. K's restaurants) demonstrated a very strong likelihood of customer confusion. Because of this, the Hunan Rose was prohibited from displaying its large white marble lions in the restaurant's entranceway.

It is interesting to note that, in its opinion, the court recognized that Mr. K's might have acquired *trademark* (i.e., service mark) rights in the lions. In other words, if Mr. K's were to have registered the lions as service marks in the U.S. Patent and Trademark Office, it could have sued not only for trade dress infringement but for redress under the trademark statute as well.

Another interesting trade dress case is *Fuddruckers, Inc. v. Doc's B.R. Others, Inc.*, 225 U.S.P.Q. 133 (1984). In this decision, the court listed a number of items which could not be considered trade dress for a restaurant. The case is interesting because it contains a very good discussion of trade dress in restaurants. The court noted that restaurant trade dress is typically more complex than that of a simple consumer product. The language from the opinion in that case is instructive:

> "The trade dress as a whole is undoubtedly a unique combination of functional or non-functional, unique or non-unique components. No two restaurants will have identical trade dress. In addition, trade dress when taken as a whole has the primary purpose of identification even though it may provide incidental functional benefits."
>
> *225 U.S.P.Q. 134*

The judge went on to find that 18 elements of the claimed trade dress were functional (adding to the "efficiency, quality and sanitation of the restaurant") and therefore were non-protectible. As a result, competitors of the restaurant involved in that case were free to copy those particular features of the restaurant.

The so-called functional items were

- glass enclosed butcher shop
- visible in-store bakery
- bakery showcase
- use of white tile
- use of neon signs for identification of stations
- use of beer trays for serving food
- use of plastic trash can for iced tea
- use of an exposed grill
- inclusion/location of bar
- ice cream manufacturing area and display case
- meat display case
- crocks for dispensing melted cheese (exclusive of shape or color)
- large, self-serve condiment bar
- institutional-size salt and pepper shakers
- warehouse lighting fixtures
- ceiling fans
- menu currently provided by plaintiff
- displayed hanging sides of beef

225 U.S.P.Q. 135

In sum

There are many issues in the typical trade dress case that may affect the ability of a restaurant to obtain an injunction. Though an injunction is not a remedy that will always be available, trade dress is an important legal tool that can be of incalculable help to a restaurant in protecting its image. All restaurant owners and managers should, therefore, be familiar with the basic nature of this useful category of intellectual property law. ❑

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Sherrill Medbury

Restaurants Lead the Way

More Americans are discovering delights of lamb as chefs make use of the nutritious meat in unusual ways.

by Rose Dosti

Lamb had only a brief period of popularity in the '30s and '40s, before the advent of cattle feedlots in America and before grain-fed beef developed the marbling that enticed Americans away from all other meat, according to Polly Hayes of the American Lamb Council in Denver, CO.

Since then, lamb has had little chance of luring Americans away from beef—a robust 97.1 pounds per capita consumption of beef (as of 1985), compared with lamb's measly 1.5 pounds per capita (as of 1986).

The lamb industry has remained deadlocked for the past 10 years, with neither any dramatic increase nor decrease in production or sales. According to the latest U.S. Department of Agriculture and Department of Commerce production figures, lamb production remains steady at 6.3 million heads, compared with 36.6 million heads for beef cattle sold to market. In addition, lamb from New Zealand and Australia, which has not found high acceptance by Americans because of its small size and gamy flavor, is sold in amounts of about 35.4 million pounds yearly to American markets.

The lamb industry, in fact, has had a difficult time combating misconceptions about lamb. "The most objectionable thing about lamb, according to consumers, is that it has a gamy odor, which is why we recommend cooking lamb at low temperatures to prevent lamb fat from burning," Hayes says.

Cooking lamb hasn't come easy, ei-

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ther. Indeed, Americans prefer eating the lamb served in restaurants rather than having to figure out how to cook it at home, as one study reported by the American Lamb Council indicates.

Restaurants lead the way

But things are looking up for lamb. You can almost hear the drums roll when you open a menu in today's top-flight restaurants and find lamb featured with flair and imagination never before seen. In the old days, few of the best continental restaurants dared to stray from lamb chops or rack with mint jelly.

Restaurants, in fact, have done for the lamb industry what the lamb industry could not do for itself—inspire home cooks to try their hands at this little-known, but highly desirable meat.

"Restaurant usage holds great potential for use of lamb or for consumers trying it out for the first time," a recent American Lamb Council study points out.

Actually, about three in 10 households remember eating lamb in restaurants in the last year," says Hayes of the lamb council.

But concern about health is probably an even more potent force in the changing attitudes toward lamb today.

A consumer tracking study prepared by Keith Murphy and Associates, an independent marketing company in New Jersey, shows that health concerns have begun to turn more Americans to lamb. "Nutrition is a powerful positioning" for the use of lamb in the future, the study said.

Three ounces of lamb contain 176 calories, compared with 192 for beef. Cholesterol, however, remains comparable to that of beef.

Trimming the fat

"Most of the fat on young lamb, which is the only lamb sold in markets today, can be trimmed off, thus reducing fat and cholesterol content, while much of the fat in beef is inherent in the marbling," Hayes says.

Because lamb is a tender meat, it can be prepared using methods that don't call for added fat. Saturated fat makes up 56 percent of the fat content in a three-ounce lamb serving that has been trimmed of fat. The remaining 44 percent is polyunsaturated.

Another attractive nutritional feature is that it is nutrient-dense, meaning it has a large share of nutrition for a low share of calories. Like beef, lamb is an excellent source of high-quality protein, vitamin B-12, riboflavin, niacin, iron and zinc.

Some experts believe that lamb, basically a foraging animal with low maintenance and feeding needs, will dominate the meat market as land for both keeping beef and growing grain becomes more scarce. Today's lamb, however, is both grain and grass-fed, with no appreciable difference in flavor or quality.

Chefs with new ideas

The British gave Americans their initial culinary appreciation of lamb with their love of mint jelly as a seasoning and garnish. And there culinary experimentation remained glued until an international influx of chefs in recent years introduced new ideas for ways of preparing, presenting and enjoying lamb.

ORANGE GLAZED LAMB SHANKS

Serves 4

Ingredients:
4 lamb shanks
Flour
Salt, pepper
2 Tbs. oil
3 cups water
1 cup orange juice
2 Tbs. lemon juice
1 Tbs. soy sauce
1 cup chicken bouillon
2 Tbs. brown sugar
2 Tbs. cornstarch
½ tspn. garlic salt
⅔ cup finely chopped carrots
¼ cup chopped green onions
Hot cooked rice

Method:
Dredge shanks in flour, salt and pepper. Brown on all sides in hot oil. Add water, cover and cook over low heat one hour or until meat is almost tender. Drain.

Combine orange juice, lemon juice, soy sauce and bouillon with brown sugar, cornstarch and garlic salt. Add to lamb with carrots and green onions. Simmer over low heat, stirring, until vegetables are tender-crisp and sauce is translucent. Serve over hot rice.

Today's restaurants are not only serving choice cuts imaginatively, but lesser lamb cuts as well. At City restaurant in Los Angeles, CA, for instance, lamb shanks are served with noodles cooked with exotic seasonings. Gordon Drysdale of Philippe Philippe restaurant in Los Angeles prepares filleted rack of lamb medallions similarly to pepper steak and serves the medallions with cabbage seasoned with horseradish and caraway seeds. At Bistango in Los Angeles, chef Dale Payne adds a bourbon sauce to a deviled rack of lamb, and at Chianti/Cucina in Los Angeles, executive chef Antonio Tomasi features lamb in ragouts, pasta sauces and unusual sautes.

A recent influx of Southeast Asian chefs has been tempting palates in California with such culinary delights as lamb satay and curries adapted from East Indian settlers. Indian settlers to the United States have left their mark with interesting and spicy lamb curry dishes and other meat and vegetable concoctions.

Door opened for rare lamb

Perhaps it was the recent move by professional French chefs to the United States that has most helped to open the door to a taste for exotically prepared lamb cooked rare, usually as medallions, racks or chops.

Most French preparations call for sauces, which are sometimes surprising fruit or liqueur concoctions.

Greeks. who have probably contributed greatly to the appreciation of and education about lamb in this country, serve lamb whole or by the leg with plenty of garlic and herbs.

Contrary to misconceptions, today's young lamb is available all year, thanks to year-round breeding techniques. Most of the lamb found in markets comes from animals slaughtered at six to eight months and weighing 120 pounds. Yearlings (one to two year-old lambs) and mutton (more than two years) never find their way to the marketplace in the United States. They are, instead, exported to foreign countries.

According to Hayes, "People have the misconception that only spring lamb is young lamb. Actually, young lamb is the only lamb available year round today." ❑

24th Annual

GREAT MENU CONTEST

Post-modern, Pediatric and Pasta Menus Take Grand Prizes

Winds Bar and Grill in Lexena, KS, is the first grand prize winner in the National Restaurant Association's 24th Annual Great Menu Contest. Second grand prize honors went to St. John's Medical Center, Oxnard, CA, for its pediatric menu, and Piccolo's Famous Pizza II Pastaio of Philadelphia, PA, won third grand prize.

More than 700 menus from around the world were entered in this year's contest. Each menu was evaluated by a team of judges in terms of imagination, design and merchandising power, and three winners were selected in each of nine categories: average per-person check under $5; between $5 and $15; above $15; specialty; banquet catering; institutional foodservice; most imaginative; best design and greatest merchandising power. The three best overall winners from these categories were then selected as grand prize winners.

Here is a look at the three winning menus, the restaurants they represent and the impressions they made on the judging panel.*

Grand prize winners from left to right, Winds Bar and Grill, Piccolo's Famous Pizza/ Il Pastaio and St. John's Regional Medical Center

FIRST GRAND PRIZE WINNER
Winds Bar and Grill

Before opening the 280-seat Winds Bar and Grill in November 1986, a great amount of time and money was spent on planning the postmodern design, which echoes a geometric square pattern throughout the plaza-level restaurant. From the vibrant-colored, custom carpet to the backs of the chairs to the lighting fixtures and panels on the ceiling, the geometric gridwork and pastels—peaches, raspberries, apricots and limes—appear again and again.

"At this point in the design process," says owner Joseph Verebelyi, "we decided to reinforce the look of the building by jumping to the tabletop." His prize-winning menu—14-inches high by almost 5-inches wide—succeeds magnificently, intriguing the diner, reinforcing the design theme and promising an out-of-the-ordinary dining experience.

The Winds menu has three covers, consisting of two pieces—an outer tri-folded shell enclosing a standard two-fold cover. When closed, a black, die-cut gridlock tantalizingly displays only a black background. The first opening reveals another cover decorated with 17 rows of five pastel squares with the

*See the accompanying sidebar for the names of the other contest winners.

word "Winds" boxed into the squares of the first row. The flap then opens to reveal a third cover, adorned with a loosened design of the same-colored squares.

Only after flipping this third cover does the diner arrive at the menu, printed on speckled lavender linen paper, which is designed to imitate the fine writing papers of years gone by. Here, too, squares appear as corner ornamentation, and the selection of salads, appetizers, seafood and meats is presented in a legible, graceful typeface under categories that echo the name of the restaurant, such as "light breezes" for appetizers, soups and salads and "sea winds" for seafood.

Descriptions are succinct, yet informative and inviting. Two "Creative Cuisine" entrees, prepared according to American Heart Association guidelines, are also included, and they are presented in the same appetizing style. For example, the *Poached Sea Scallops* is described as "tender sea scallops in court bouillon, topped with tomatoes, chives, mushrooms and a fine herb mixture. Fresh pasta."

In evaluating the Winds Bar and Grill menu, the judges all agreed that the well-executed, imaginative design of the menu's shell was well-complemented by the understated, yet sophisticated, menu listings. "This menu impressed all of us because of its overall excellence," says judge Susan Wyler. "The design was original and intriguing, and it had some mystery involved. The food descriptions were appetizing and impressive, and it looked like a menu that a chef could capably execute."

"The design is whimsical. I noticed that each judge opened it, closed it to look at it again, and then reopened it," adds judge Norma Gray. "The content, however, is very sophisticated in that it reflects indigenous ingredients and popular dining trends, including health-conscious selections. The menu suggests that the restaurant provides a very pleasant dining experience."

"From a production standpoint, this menu is a work of art—the piece is so graphic," notes judge Judi Radice. "A lot of thought has obviously gone into it. For example, the owners spent a lot of money on the cover and then designed it so the actual menu could slip in and out if they ever wanted to make any changes."

"I was impressed because it was a progressive, snappy, innovative menu, but the owner was also keeping pace with the cuisine. The menu, with its Creative Cuisine, suggests a restaurant that has a nice balance between food and decor," concludes judge Adelaide Farrah.

SECOND GRAND PRIZE WINNER

St. John's Medical Center

The care and concern felt by the staff of St. John's Medical Center for their young patients is easily observed from one glance at the hospital's pediatric menu. The 12-inch-high and 18-inch-wide, three-panel menu is educational, activity-oriented, appetizing and cheerful—in short, everything a sick, hungry kid with time on his or her hands could want. "The entire menu is upbeat. The designers obviously have a sense of compassion for the children and know how to lift the kids' spirits," notes judge Toni Lydecker.

"We wanted to create a menu that would be an educational tool," explains chief therapeutic dietitian Barbara Bisset. But the menu does more than simply describe the four basic food groups. It also draws the children in, not only by asking them to make their food selections, but also by providing activities to occupy their time, such as a connect-the-dots exercise, a crossword puzzle and a coloring area.

The outside of the pediatric menu gives a three-dimensional impression through the use of crayons photographed on top of a page from a child's coloring book. "The three-dimensional effect was so well-executed that I wanted to pick the crayons off the menu," says judge Judi Radice. The flip side of the menu, which is divided into perforated breakfast, lunch and dinner sections, is black and white—until the child has taken a crayon to it.

This impressive institutional menu is evidence of the efforts being made by hospitals to market all aspects of their operations. "This menu is a perfect example of hospitals moving away from staid, institutional menus—the colors are bright; it's a workable size; and they do a nice job of providing activities for the children," says judge Norma Gray.

Judge Peter Berlinski agrees. "If you're marketing to a child, you have to understand the mind-set of a child. This menu succeeds: it's enticing and appealing."

Menu contest judges

The judges in the 24th Annual Great Menu Contest were:

- Peter R. Berlinski, editor, *Restaurant Business;* New York, NY
- Adelaide Farrah, food editor, *Health* magazine; New York, NY
- Norma Gray, president, Foodcrafters; Burke, VA
- Toni Lydecker, senior editor, *Restaurant & Institutions;* Des Plaines, IL
- Judi Radice, author, *Menu Design 2;* San Francisco, CA
- Carole Sugarman, *The Washington Post;* Washington, DC
- Shelley Williams, senior art director, Whittle Communications; Knoxville, TN
- Susan Wyler, food editor, *Food & Wine;* New York, NY

THIRD GRAND PRIZE WINNER

Piccolo's Famous Pizza/Il Pastaio

Daniel Nejberger, owner of Philadelphia's Il Pastaio, is a strong believer in in-house advertising. "I spend very little money on outside advertising," he says. "Merchandising is where I put my money and energy."

Visitors to his three-year-old pasta specialty restaurant order from what Nejberger considers his "best advertising tool"—a shiny, laminated, six-page menu whose colorful pages are die-cut to reveal a chef holding a steaming plate of pasta aloft. By folding each panel of the menu shorter than the next, the designer has overlapped the four cut out chefs, creating a striking effect in red, white, beige and gray.

On the inside of the menu, customers are faced with brightly colored pages with boxed assortments of Italian specialties, from insalatas to zuppas, carnes, fruitti di mare and, of course, pasta dishes. Customers can

Mark Borchelt

order one of 12 specialty pasta dishes or create their own combination from among four different cuts of fresh pasta, available in six flavors (including spinach, basil, mushroom and whole wheat) and 10 sauces.

Il Pastaio's eye-catching menu is the fourth die-cut menu used by Nejberger, who also owns a fullservice pizza restaurant, Piccolo's Famous Pizza, in Philadelphia. "To me, a menu is a way of making a statement," he says. The Great Menu Contest judges agreed that the menu cleverly conveys a sense of the restaurant's personality.

"I like this menu because it conveys, beyond a shadow of a doubt, a sense of what Il Pastaio is," says judge Norma Gray. "This menu projects a mood and creates an environment that tells you it is going to be a lively, fun experience," adds judge Adelaide Farrah.

Judge Peter Berlinski couldn't agree more. "Il Pastaio's menu communicates instantly what the place is all about. It's artistically done—the menu itself embodies the nature of the restaurant."

Adds judge Toni Lydecker, "The thing that impressed me the most about this menu is that, although it looks like it was put together by a large corporation, it was produced by a small company. It shows that anyone can have a sophisticated product with clean graphics and polish."

—David Slater

1987 Great Menu Contest winners

Grand Prize

First Place
Southwind Restaurant, Inc.—Winds Bar & Grill; Lenexa, KS
Second Place
Pediatric menu; St. John's Regional Medical Center; Oxnard, CA
Third Place
Piccolo's Famous Pizzas/Il Pastaio; Philadelphia, PA

Restaurant: Per-person check average under $5

First Place
Frontier Enterprises—Jim's of Austin; Austin, TX
Second Place
California Concepts, Inc.—Peso's; New York, NY
Third Place
Luncheon menu; El Torito Restaurants, Inc.; Irvine, CA

Restaurant: Per-person check average between $5 and $15

First Place
Belinda's Restaurant; Thornhill, Ontario, Canada
Second Place
Harvey's Restaurant; Lutherville, MD
Third Place
Darryl's; Kansas City, MO

Restaurant: Per-person check average over $15

First Place
Genji Restaurant—Hilton International Osaka; Osaka, Japan
Second Place
Dynasty Restaurant—Hilton International Osaka; Osaka, Japan
Third Place
Chardonnay—Park Terrace Hotel; Washington, DC

Specialty

First Place
Children's menu; TGI Friday's, Inc.; Addison, TX
Second Place
Children's flip books; Eat & Park Restaurants, Inc.; Pittsburgh, PA
Third Place
Children's gift boxes; Eat & Park Restaurants, Inc.; Pittsburgh, PA

Greatest merchandising power

First Place
Mor Food 'n' Fun/Grace Restaurant Company—The Malibu Sea Lion USA; Santa Monica, CA
Second Place
Grisanti's Casual Italian Restaurant; Grisanti, Inc.; Louisville, KY
Third Place
Marble Lounge—Hilton International Tokyo; Tokyo, Japan

Best design

First Place
Belinda's Restaurant; Thornhill, Ontario, Canada
Second Place
Tuba City Truck Stop; New York, NY
Third Place
Winter Enchantment Menu—Nut Tree; Nut Tree, CA

Most imaginative

First Place
Suan Sarantom Garden Restaurant—Hilton International Bangkok; Bangkok, Thailand
Second Place
Rotisserie Prinz Eugen—Hilton International Wien; Vienna, Austria
Third Place
Fillets, Inc.; Pascagoula, MS

Easy readibility and imaginative entree descriptions won Harvey's Restaurant second place honors. The menu was entered in the category, Per-person Check Average Between $5 and $15.

Rotisserie Prinz Eugen—Hilton International Wien—captured second place in the Most Imaginative category with a creative die-cut menu that echoes its authentic sea shell container.

Banquet/Catering

First Place
Maui Marriott; Lahaina, HI
Second Place
Marriott Harbor Beach Resort; Fort Lauderdale, FL
Third Place
Marriott Cypress Creek; Fort Lauderdale, FL

Institutional Foodservice

First Place
St. Joseph's Hospital Centers; Mt. Clemens, MI
Second Place
Brigham and Women's Hospital; Boston, MA
Third Place
Saint Francis Memorial Hospital; San Francisco, CA

Hasslocher wins achievement award

National Restaurant Association President G. "Jim" Hasslocher was presented with the inaugural Salut Au Restaurateur Industry Achievement Award, an honor established for the first time this year by the department of hospitality administration at Florida State University (FSU).

In accepting the award at the 34th Annual Salut Au Restaurateur dinner held in Tallahassee, FL, in March, Hasslocher paid tribute to other award recipients in the Salut Au Restaurateur program, all of whom had been named "Restaurateur of the Year" by their state associations. "The individuals we honor here tonight have achieved great things in the restaurant industry," Hasslocher said. "But these outstanding restaurateurs have also given something back to foodservice—and their contributions have made it easy for us to be enthusiastic about our industry."

Hasslocher proudly displays his achievement award.

Hasslocher added that the Salut Au Restaurateur award winners provided a fine example of the opportunities available in foodservice. "People who are willing to work rise rapidly to the top," he said. "The rise from busboy to owner-operator is common in our industry. All it takes is energy, business sense, creativity and a lot of hard work."

The Salut Au Restaurateur program was established in 1952 by FSU to honor outstanding restaurateurs. The Salut Au Restaurateur Industry Achievement Award was established this year to honor those operators who distinguish themselves through overall leadership in the hospitality industry and in their community, state and nation.

Fisher pledges to fight minimum wage hike

Speaking before the Club Manager's Association of America, National Restaurant Association Executive Vice President William P. Fisher reiterated the association's commitment to blocking any minimum wage increase.

"The position of the association Board is to oppose any attempt to increase the minimum wage because such an increase would be detrimental both to management and to the work force. The association has committed all its resources to stopping the seven minimum wage bills currently in Congress," Fisher said.

The National Restaurant Association believes that a hike in the minimum wage will have an adverse effect on employment by pricing workers out of the market. It would disrupt business and dislocate the working poor who can least afford it.

Fisher told the club managers that the Hawkins bill (H.R. 1834) in the House and the Kennedy bill (S. 837) in the Senate have received the most attention. Virtually identical, the two bills raise the minimum wage—currently at $3.35 an hour—to $4.65 an hour by January 1990. Both bills provide for indexing after that date—meaning that every time the average private sector, nonsupervisory wage increases, the minimum wage would also increase.

"Neither bill currently addresses the subject of tip credit or youth differential," Fisher pointed out.

The association executive indicated that although these bills had considerable momentum in Congress, they were totally unacceptable to the foodservice industry, which employs approximately one-third of all workers earning minimum wage. Of these workers, more than one-half are tipped employees whose total income, including tips, far exceeds minimum wage, and a large proportion of the remainder are the children of comfortable families working for extra discretionary funds.

Because the President's Economic Policy Council unanimously voted to oppose any increase in the minimum wage, it is likely that President Reagan would veto any increase.

"If Congress were to pass a minimum wage bill and the president vetoed it, the National Restaurant Association would martial its membership to ensure that Congress did not override that veto," Fisher stated.

"We have a difficult battle to fight in regard to minimum wage," Fisher said in answer to a question after his speech. "But we are convinced that we can win."

Members donate items to tourism breakfast

The National Tourism Week Coalition, of which the National Restaurant Association is a member, sponsored its annual Congressional Staff Tourism Information Breakfast in April. The Capitol Hill breakfast was an opportunity for key congressional staffers to learn about how tourism can benefit their members' home districts. Among the highlights of this year's breakfast, which featured a regional menu promoting indigenous American foods, were New England cranberry muffins donated by National Restaurant Association Director Stephen Elmont's company, Creative Gourmets Ltd. of Boston, MA; and the Chicago-style "Greek Toast," supplied by association member Lou Mitchell's Restaurant of Chicago, IL.

Attitudes toward smoking in restaurants

This article presents results from an association-commissioned Gallup survey on the issue of smoking in restaurants.

A Gallup survey conducted in February 1987 for the National Restaurant Association reveals a divergence of opinion about tobacco smoke in restaurants. Because opinion about smoking is divided, it is particularly important for restaurateurs making decisions on this issue to carefully assess the wants and needs of customers in their market area.

Smokers are a minority

Opinion about smoking sections and tobacco smoke in restaurants is influenced by the smoking status of the respondent. Among adults 18 years old and older who responded to the association's Gallup survey, 47 percent said they had never smoked, 26 percent were former smokers and 27 percent were current smokers. In comparison, the federal government's 1985 National Health Interview Survey indicated 30 percent of adults 18 years old and older were current smokers, 24 percent were former smokers and 45 percent had never smoked.

Although the two-year decline in 1987 in the proportion of adults who smoke is too small to be significant, it does reflect the expected continuation of a long-term trend. Since the mid-1960s, the proportion of adults who smoke has dropped by one-third (from 45 percent).

In demographic terms, the association's survey results indicate that men are somewhat more likely to smoke than women. The likelihood of smoking peaks with the 35 to 49 age-group, and then it drops off sharply. Also, the youngest adults—18 to 24 years old—are most likely to have never smoked. Consumers who eat out frequently are no more or less likely to be smokers than is the general population.

Majority sits in no-smoking section

On their last occasion at a restaurant or fast food place that had a no-smoking area, the vast majority of non-smokers said they chose to sit in the smoke-free area. In fact, 78 percent of those who never smoked opted for the no-smoking area as did 69 percent of former smokers. Twenty-nine percent of the current smokers sat in the no-smoking section.

This means that, overall, 62 percent of adults sat in the no-smoking section at their last meal at a restaurant or fast food place when a no-smoking section was available. A look at the proportion who sat in the no-smoking section by type of restaurant visited reveals some interesting differences. For instance, seven out of the 10 adults at cafeterias sat in the no-smoking section, whereas 55 percent sat in the no-smoking section at fast food places.

Awareness of no-smoking section important

Opinions about smoking in restaurants are mixed. Nevertheless, there is at least one area on which smokers and non-smokers agree. Ninety percent of the respondents agreed with the statement, "When there is a no-smoking section, the host/hostess should ask if you want to sit there."

Calling attention to a no-smoking section in a restaurant becomes even more important if a majority of customers prefer to sit there. This was the case in the survey. Sixty-one percent of the respondents said that they prefer to sit in the no-smoking section at a restaurant. Individuals who have never smoked are even more likely than former smokers to prefer a no-smoking section. Eighty-three percent of those who have never smoked want to sit in the no-smoking area, compared to 65 percent of former smokers and 20 percent of current smokers.

In demographic terms, females are somewhat more likely than males to prefer a no-smoking section. Also, those who are 65 years old

Those between 35 and 49 are most likely to be smokers

	Current smoker	Former smoker	Never smoked
All adults	**27%**	**26%**	**47%**
Male	30	30	40
Female	25	22	53
18 to 24 years old	26	10	64
25 to 34 years old	29	22	49
35 to 49 years old	35	30	35
50 to 64 years old	24	29	48
65 years and older	16	34	49
College graduate	18	29	53
High school graduate	28	25	46
Less than high school education	32	24	44

Source: Gallup survey for the National Restaurant Association, February 1987

Sixty-one percent of the respondents said they prefer to sit in the no-smoking section at a restaurant

	Percent who		Mean**			
	Agree*	Disagree*	All respondents	Smokers	Former smokers	Never smoked
Tobacco smoke is not usually a problem at restaurants	41%	38%	3.0	3.6	3.1	2.6
There are enough restaurants that have no-smoking sections	50	28	3.4	3.9	3.4	3.1
If a restaurant did not allow patrons to smoke, I would not eat there	27	55	2.4	3.2	2.2	2.1
I have not been bothered by smoke at restaurants that have no-smoking sections	51	34	3.3	3.9	3.3	2.9
I prefer to sit in the no-smoking section at a restaurant	61	27	3.6	2.0	3.9	4.4
I usually do not ask if there is a no-smoking section	57	33	3.4	3.9	3.5	3.1
When there is a no-smoking section, host should ask if I want to sit there	90	4	4.6	4.5	4.6	4.6
Even if I like the food and service, I will not return to a restaurant that does not have a no-smoking section	19	62	2.2	1.9	2.2	2.4

*"Agree" = 4 and 5 on a five-point scale. "Disagree" = 1 and 2 on a five-point scale.
**Means are based on a five-point scale, where five represents "strongly agree" and one represents "strongly disagree."
Source: Gallup survey for the National Restaurant Association, February 1987

and older are much more likely to prefer a no-smoking section than are younger patrons. On the other hand, even though nearly two-thirds of young adults 18 to 24 years old have never smoked and 10 percent are former smokers, these respondents are no more likely to prefer sitting in a no-smoking section than are adults 35 to 49 years old, who are the most likely to smoke.

The survey results confirm that there is some reticence among consumers to ask if there is a no-smoking section. Although 61 percent of the survey respondents said they prefer to sit in the no-smoking section, a similar proportion, 57 percent, agreed that they usually do not ask if there is a no-smoking section. Only 33 percent of the respondents reported that they usually ask if a no-smoking section is available. This underscores the need for the host/hostess to inquire where customers want to sit.

Tobacco smoke is a problem to some

As far as problems with tobacco smoke are concerned, consumer sentiment is definitely mixed. Forty-one percent of the respondents agreed that tobacco smoke is not usually a problem at restaurants. On the other hand, a similar proportion, 38 percent, disagreed and 19 percent were in the middle—neither agreeing nor disagreeing. People who have never smoked are more likely than former smokers to find that tobacco smoke is a problem.

Consumers are somewhat less likely to regard smoke as a problem at restaurants with no-smoking sections. Approximately one-half of the respondents agreed that they have not been bothered by smoke at restaurants that have no-smoking sections. Still, 34 percent disagreed with this statement and those who have never smoked were most likely to be in disagreement.

A similar proportion, 50 percent, agreed that enough restaurants have no-smoking sections. Twenty-eight percent disagreed with this statement. It should be noted that smokers and non-smokers were in closer agreement on whether enough restaurants have smoking sections

than they were on whether smoke at restaurants is bothersome. It is also worth noting that those who eat out most frequently were somewhat more likely to strongly agree that enough restaurants have no-smoking sections.

Smoke-free restaurant satisfies the majority

Not surprisingly, 27 percent of the respondents agreed that they would not eat at a restaurant that did not allow smoking. This is similar to the number of current smokers. On the other hand, 55 percent of the respondents would go to a restaurant that did not allow smoking, and 11 percent neither agreed nor disagreed. A relatively large number of respondents, 7 percent, said they did not know if they would eat at a restaurant that did not allow smoking.

Fifty percent of current smokers would not eat at a restaurant that did not allow patrons to smoke. However, 38 percent of smokers disagreed with this statement, indicating that they would be willing to refrain from smoking while eating at such a restaurant.

Even among non-smokers opinion is mixed; only about 20 percent say they would not eat at a restaurant that did not allow smoking.

No-smoking sections secondary to food, service

Whatever consumer attitudes are about smoking in restaurants, it is important to recognize that for most consumers no-smoking sections rank behind food and service in importance. Sixty-two percent of the repondents disagreed with the statement, "Even if I like the food and service, I will not return to a restaurant that does not have a no-smoking section." However, a significant minority, 19 percent of the respondents, agreed with this statement. Non-smokers, especially those who have never smoked, are much more likely to agree or to be on the fence about whether they would return to a restaurant with a no-smoking section even if they liked the food and service.

Secondary smoke is important to many consumers

It is important to keep in mind that opinion about smoking, and secondary smoke in particular, will not remain static. As more adults become non-smokers—and about one-half of all smokers try to quit every year, according to the federal government—restaurateurs must be flexible to meet their needs.

Last December, the surgeon general issued a report on smoking and health that some believe will have a significant effect on future behavior and attitudes concerning smoking. Even before the report was published, public opinion about passive smoking indicated that 68 percent of adults think secondary smoke is harmful to nearby non-smokers. The survey conducted for the American Cancer Society shows that 40 percent of adults believe secondary smoke is very harmful, and an additional 28 percent believe it is harmful.

Research conducted by the Gallup Organization in 1985 for the American Lung Association shows that 75 percent of adults believe smokers should refrain from smoking in the presence of non-smokers. When asked where smokers should refrain from smoking when non-smokers are present, 62 percent of respondents, said "in a public place."

—Susan Mills

Meteoric growth in pizza market

Home delivery, product innovations and promotions have fueled the dramatic growth of pizza; orders have climbed 50 percent in the last four years.

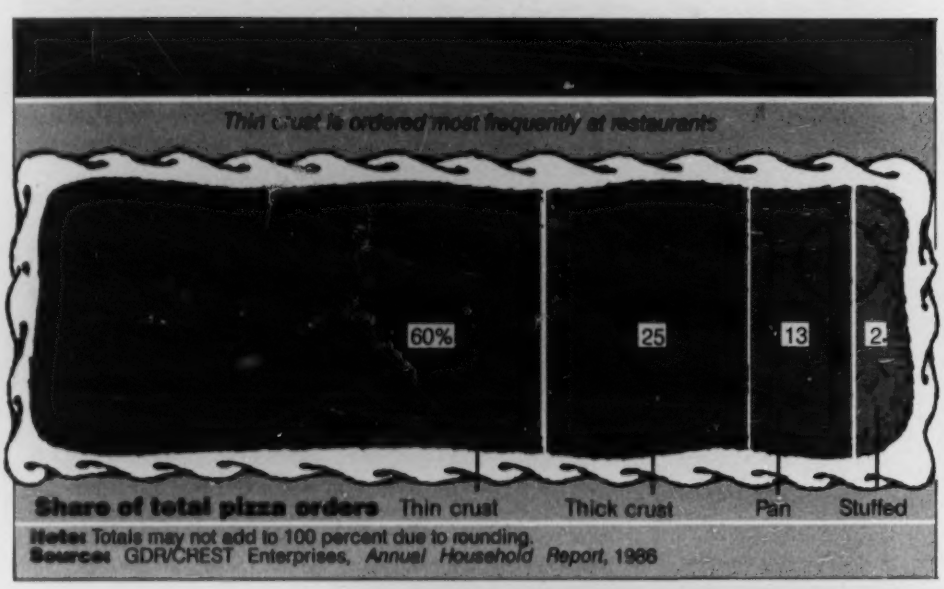
Pizza is one of the hottest foods in the industry. CREST data show pizza ranks among the top-10 fastest-growing menu items, with orders climbing by more than 50 percent between 1982 and 1986.

This increased popularity of pizza can be attributed to several factors. Home delivery is, of course, an obvious one. Expansion and promotion of this service have made pizza a favorite of the swelling number of convenience-conscious consumers, such as working women, higher-income households and 18 to 34-year-olds.

Another reason for pizza's explosive growth is that it is becoming more than just a convenience food. Drinking places are promoting pizza in its many forms to attract customers in the face of declining liquor consumption. Pizza is even making its way onto the menus of fine dining establishments; however, these "gourmet" offerings often bear little resemblance to the type that comes in cardboard boxes from the corner pizza shop.

Pizza is fast food

Although pizza is showing up on menus of restaurants that are not quickservice places, it is still considered a fast food item. According to CREST data, the quickservice segment accounted for 94 percent of all pizza orders last year, with pizza quickservice places capturing the lion's share of those orders. Customer counts at quickservice pizza places climbed by



Note: Totals may not add to 100 percent due to rounding.
Source: GDR/CREST Enterprises, *Annual Household Report*, 1986

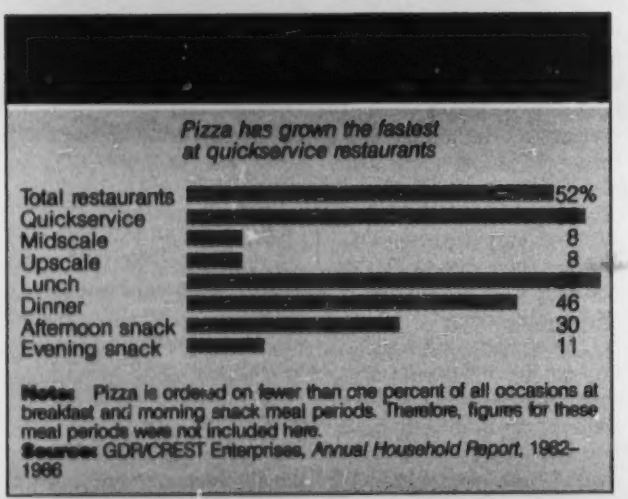
more than 55 percent between 1982 and 1986, and orders for pizza at these establishments increased 60 percent.

In contrast, the number of pizza orders at midscale restaurants increased 8 percent while those at upscale establishments declined by more than 8 percent during the same time period. Furthermore, midscale and upscale restaurants saw their share of the total pizza market decline between 1982 and 1986.

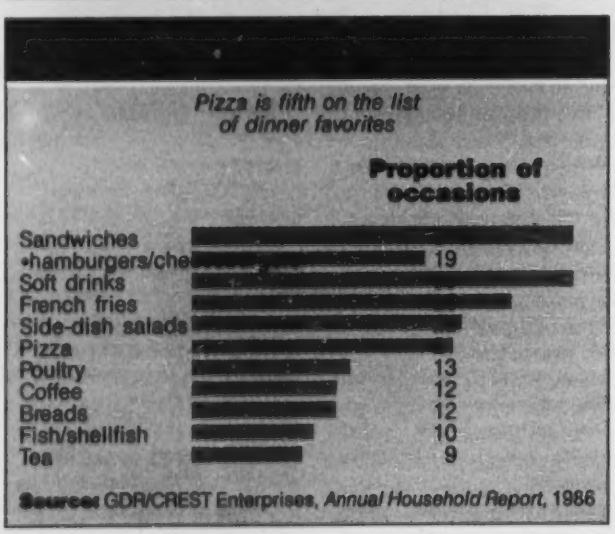
Pizza is on the move

The biggest news in the pizza market is unquestionably the dramatic increase in off-premises consumption. CREST data for the quickservice pizza group provide evidence of this emerging trend. Two-thirds of all customer occasions at quickservice pizza restaurants were for off-premises consumption in 1986 versus 52 percent four years earlier. During this time, off-premises traffic nearly doubled.

When pizza leaves the restaurant, its most likely destination is the consumers' home. In 1986, more



Note: Pizza is ordered on fewer than one percent of all occasions at breakfast and morning snack meal periods. Therefore, figures for these meal periods were not included here.
Source: GDR/CREST Enterprises, *Annual Household Report*, 1982–1986



Source: GDR/CREST Enterprises, *Annual Household Report*, 1986

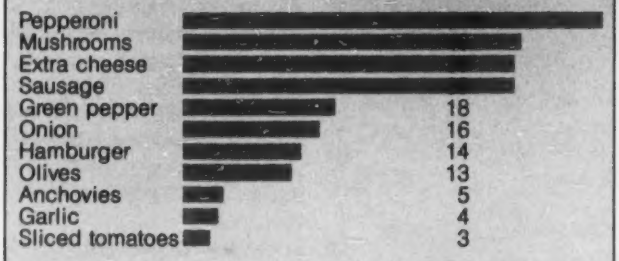
than eight out of every 10 consumers who chose to eat pizza outside the restaurant took their pizza home. In just the last year, traffic for at-home consumption rose 24 percent. Much of this increase can be attributed to the rise of home delivery. Delivery's share of the off-premises market rose from 28 percent in 1985 to 31 percent last year, and traffic counts were up more than 30 percent. Carryout traffic was also up last year—16 percent, but the wider availability of home delivery has more consumers opting to let the pizza come to them. Carryout's share of the off-premises market dropped from 71 percent in 1985 to 68 percent last year.

Dinner captures largest share

The evening meal continues to be the preferred time for eating pizza. Last year, dinner captured an impressive 73 percent of all pizza orders. CREST data show that pizza is the fifth most frequently ordered item at dinner. Moreover, dinner patrons are selecting pizza more frequently than ever. Pizza was ordered on 21 percent of all dinner occasions in 1986, up from 15 percent in 1982. During this time, the total number of orders for pizza increased 46 percent; the largest gain was registered last year. While pizza orders increased at dinner, pizza has lost ground at the evening snack period. Pizza was selected on 12 percent of all evening-snack occasions in 1986, down from 14 percent in 1982.

More lunch patrons are discovering pizza, indicating that efforts taken by operators to boost noontime traffic have begun paying off. Product introductions,

Pepperoni is the most favored topping



Note: Respondents were able to select more than one topping.
Source: Gallup Organization, Inc., *Monthly Monitor of Eating Away From Home*, July 1985

including pizzas for one, pizza by-the-slice and other varieties of portable pizza, along with guarantees for quick service are making pizza an attractive lunchtime alternative.

Pizza was chosen on 6 percent of lunch occasions in 1986 versus 4 percent in 1982. Moreover, total orders rose a whopping 58 percent over this four-year period. Afternoon snackers are also munching on pizza more often, with orders rising nearly 30 percent between 1982 and 1986.

The pizza debate

Asking what kind of pizza is best will likely result in heated debate—whether it is over thin versus thick crust or types of toppings. CREST data reveal that 60 percent of all orders for pizza are for the thin-crust style, and 40 percent are for thick, which includes pan and stuffed. Both types have grown in popularity since 1982, with the increase in orders for thick just outpacing that for thin.

Results from a 1985 Gallup Organization survey tell a slightly different story. Respondents who ate pizza out within the three months prior to the survey were asked what kind of crust they prefer rather than what kind they ate. In terms of preference, the margin for thin crust is not as big. Forty-eight percent of the adults questioned said they prefer the thin crust and 46 percent prefer thick. The remaining 6 percent indicated no preference.

One possible explanation for the differences seen between the CREST and the Gallup data may be that thin crust pizza is the style more widely available in restaurants. Therefore, even if more consumers prefer thick crust, they may not be able to order it.

The Gallup Organization also asked pizza eaters what toppings they prefer. Pepperoni was at the top of the list. One-half of all survey respondents said pepperoni is one of their favorite pizza toppings. About four in 10 indicated they like mushrooms, extra cheese and/or sausage. Sliced tomatoes and garlic took top billing with fewer than 4 percent of the adults surveyed.

—Kate Conroy

CREST divides upscale segment by check size

A change in the way CREST presents data for upscale restaurants will make this survey more meaningful to many association members.

Until recently, CREST (see box for definition) defined upscale restaurants as those which

- provide full table service
- serve wine, beer and cocktails
- accept credit cards and
- often take reservations.

This varied category includes both lower-priced casual dining restaurants and higher-priced white tablecloth establishments.

Check size to define upscale segment

Now, CREST will divide the upscale segment into two separate groups based on check size. This means that it will now be possible to track consumer behavior at higher-check restaurants for the first time. The group includes upscale fish/seafood, Asian, Italian, steak and other restaurants with per-person checks in excess of $17.00 as well as upscale hotels where the per-person check averaged $8.64 in 1986.

Because there is a great deal of interest in consumer behavior at these higher-check upscale restaurants, highlights from the 1986 CREST *Annual Household Report* are summarized here.

Dinner is biggest business for upscale group

Not surprisingly, higher-check upscale restaurants do most of their business in the evening—a characteristic which they share with their moderate-priced counterparts in the upscale segment. According to 1986 CREST data, more than 70 percent of all sales and more than one-half of all traffic was reported for the evening meal. Higher-check steak places do a much greater proportion of their business in the evening than do other types of establishments. Slightly more than 85 percent of all traffic was rung up for dinner at steak restaurants last year. In contrast, upscale hotels did the smallest share of their business at dinner—40 percent of all traffic in 1986.

The higher-check upscale meal often includes an alcoholic beverage, a salad, a seafood or beef entree, a hot vegetable side dish, coffee and, possibly, some dessert.

Lunch is the second most important meal period, capturing 21 percent of sales and 27 percent of customer traffic in the higher-check upscale segment. Breakfast garners a 6-percent share of total sales within the higher-check upscale segment, but 15 percent of traffic, most of which comes from upscale

hotels. Nearly one-fourth of all traffic at these hotels was for the morning meal, and breakfast captured a 13-percent share of total sales.

Saturdays capture largest share

Most consumers choose to dine at higher-check upscale restaurants on the weekends. Saturday captured 21 percent of weekly eater occasions last year, and another 18 percent occurred on Friday. Monday is the least-requested day, attracting only 10 percent of all weekly occasions. These same patterns are observed within the moderate-check upscale group.

Because weekends garner such a large share of higher-check upscale traffic, it is not surprising that 34 percent of consumers reported being at home prior to going out to eat. Even for meals at upscale hotels, most customers said they came from their homes, although the proportion was considerably smaller than at other types of higher-check upscale restaurants.

Vacationers also generate a sizable proportion of business at higher-check upscale restaurants. Vacation travelers accounted for more than 16 percent of all eater occasions within the segment in 1986. Upscale hotels and fish/seafood places were especially popular choices. In contrast, less than 7 percent of all moderate-check upscale patrons reported being on vacation.

In 1986, the meal at a higher-check upscale establishment was topped off with dessert on almost 23 percent of all occasions.

Visits to higher-check upscale restaurants often occur after work or while consumers are on business. In 1986, nearly 15 percent of higher-check upscale patrons said they dined at this type of establishment on their way home from the office. A similar proportion said they did so when on business/travel. After-work visits are somewhat more common at moderate-check upscale restaurants—21 percent occurred after work last year—whereas business meals are much more important in the higher-check segment.

Within the higher-check upscale segment, business customers were more common at hotels, steak places and fish/seafood restaurants while Italian and varied menu places captured more business from after-work traffic.

Patrons tend to order more items

When dining at a higher-check upscale restaurant, patrons order more items than they do at other types of restaurants. On average, higher-check upscale patrons order 4.2 items per person. This is well above the industry average of 2.6 items per eater and also higher than the 3.6 items selected at moderate-check upscale restaurants. The higher-check upscale meal often includes an alcoholic beverage, a salad, a seafood or beef entree, a hot vegetable side dish, coffee and possibly some dessert.

Side-dish salads were ordered on more than four in 10 eater occasions at higher-check upscale restaurants. Also, well over half of these salads were served rather than selected from a salad bar. At moderate-check upscale places, salads were ordered on 34 percent of all occasions last year.

CREST data show seafood and beef were the most frequently ordered entrees at higher-check upscale restaurants in 1986. Seafood was selected on 27 percent of all eater occasions, with orders for broiled/baked/grilled seafood outnumbering those for fried. Broiled/baked/grilled fish was somewhat more popular than shellfish prepared in a similar manner. A beef entree was chosen on about two in 10 eater occasions. Consumers showed the greatest preference for steak and prime rib.

Other items that are selected more often at higher-check upscale restaurants than at moderate-check upscale establishments include Asian foods, soup and pasta.

To accompany the main course, patrons frequently choose a hot vegetable and/

Average check size by type of establishment

The average check size at higher-check upscale restaurants was nearly four times the industry average

Average check size	Total industry	Quick-service	Midscale	Upscale: Midscale check	Upscale: Higher check
Overall average check size	$3.45	$2.47	$4.16	$7.22	$13.41
Breakfast*	2.28	1.42	2.73	2.95	5.10
Lunch	3.22	2.58	3.89	5.63	10.22
Dinner	4.60	3.04	5.47	8.43	17.90

*Average check sizes at quickservice, midscale and both upscale categories are for breakfast/morning snack.
Source: GDR/CREST Enterprises, *Annual Household Report*, 1986

Share of sales and traffic by meal period

Dinner captures more than one-half of all traffic at higher-check upscale restaurants

Meal period	Moderate check: Sales	Moderate check: Traffic	Higher check: Sales	Higher check: Traffic
Breakfast	1.4%	3.4%	5.8%	15.2%
Lunch	24.1	30.9	20.9	27.4
Dinner	72.3	61.9	70.6	52.9

Source: GDR/CREST Enterprises, *Annual Household Report*, 1986

or a baked/stuffed potato. Hot vegetables were ordered on about 17 percent of higher-check occasions and baked potatoes were ordered on 16 percent of occasions. Hot vegetables are more popular at higher-check upscale restaurants than at moderate-check upscale establishments, while french fries are somewhat more popular than the baked potato at moderate-check upscale places.

Higher-check upscale customers often indulge in dessert. In 1986, the meal at a higher-check upscale establishment was topped off with dessert on almost 23 percent of all occasions, versus 13 percent at moderate-check upscale places. Cakes/pastries and ice cream were the favorite selections.

Most consumers reported being at home prior to going out to eat. This held true even for meals at upscale hotels.

An alcoholic beverage is frequently ordered when dining at higher-check upscale restaurants. In 1986, an alcoholic beverage was served on 38 percent of all occasions. Cocktails were the most popular choice, followed closely by wine. At moderate-check upscale restaurants, the distribution of orders is somewhat different with beer instead of wine coming in second to cocktails in popularity.

Coffee is a big seller at higher-check upscale restaurants. In fact, in 1986, coffee was ordered on more occasions at these establishments than at any other restaurant—38 percent. The majority of higher-check upscale customers prefer regular coffee to the decaffeinated version.

Food items ordered at higher-check upscale restaurants

Consumers order, on average, 4.2 items when they dine at higher-check upscale restaurants

Item	Percent of occasions: Higher check	Moderate check
Side-dish salads	41.8%	34.4%
Coffee	37.5	23.1
regular	30.5	18.1
Alcoholic beverages	37.1	28.6
cocktails	17.6	11.6
wine	15.4	7.4
beer	6.5	8.2
Total breakfast foods	33.4	20.9
Fish/shellfish	26.5	18.9
broiled/baked/grilled fish	11.3	6.9
broiled/baked/grilled shellfish	7.5	3.9
Dessert	22.8	12.6
cakes/pastries	6.2	2.0
ice cream	5.4	3.7
Total beef	20.7	12.7
steak	8.4	5.8
roast/prime rib	8.4	3.5
Other hot vegetable	17.0	8.4
Baked/stuffed potato	15.5	13.1
Asian foods	14.4	9.5
Soup	13.8	12.6
Pasta	12.3	5.8
Average number of items per person	**4.2**	**3.6**

Source: GDR/CREST Enterprises, *Annual Household Report*, 1986

Activity prior to dining out

Most consumers were at home prior to dining at upscale restaurants

Prior activity	Moderate check upscale	Higher check upscale
At home	41.4%	34.1%
At work	21.4	14.6
Business/travel	5.1	14.5
Vacation	5.7	16.6
Shopping	7.9	2.4
Entertainment/recreation	8.9	8.7
Other/not reported	9.6	9.1

Source: GDR/CREST Enterprises, *Annual Household Report*, 1986

On-premises dining eclipses takeout

The tremendous growth seen within the takeout market has as yet had little measurable effect on the upscale segment. Upscale restaurant customers, whether they visit moderate or higher-check places, still overwhelmingly dine on-premises. In 1986, well over 90 percent of the traffic at both of these types of establishments occurred on-premises. In fact, higher-check upscale operations derive less than 3 percent of sales from takeout. The only notable source of business outside the restaurant was at higher-check upscale hotels last year, and this was most likely accounted for by food and beverages purchased from room service.

Although the use of promotions has increased dramatically within the restaurant industry in recent years, promotions were used on only about 9 percent of all higher-check upscale occasions in 1986. This is below both the industry average of 12 percent and the average seen at moderate-check upscale restaurants—10 percent. When hotels are excluded, the proportion of promotion use at higher-check upscale restaurants drops to around 5 percent.

Who dines at higher-check establishments

Patrons at higher-check upscale establishments tend to be well-educated and affluent. Although the client mix for individual establishments will vary depending on specific market characteristics, CREST data provides the following profile of higher-check upscale restaurant patrons:

□ **35 to 49-year-olds.** Last year, more than three in 10 of all higher-check upscale patrons were between the ages of 35 and 49. In contrast, fewer than one-fourth of the customers at moderate-check upscale,

midscale or quickservice restaurants fell into this age-group. Approximately 23 percent of higher-check patrons were between 50 and 64 years old, and another 22 percent were in the 25 to 34 age-group.

□ **Males.** In 1986, men accounted for a larger proportion of higher-check upscale patrons than did females—53 versus 45 percent. At moderate-check upscale restaurants, the distribution was nearly equal.

□ **High income households.** As might be expected, income is the single characteristic that differentiates customers of higher-check restaurants from other types of establishments. Consumers from more affluent households are likely customers of higher-check upscale establishments. Of all higher-check patrons, 46 percent reported household incomes of $40,000 or more in 1986.

□ **Employed singles and dual-income couples.** More than 30 percent of all higher-check upscale customers were working singles. A similar proportion were from households in which both spouses worked outside the home. Consumers from two-income households were also frequent patrons at moderate-check upscale establishments—34 percent.

□ **College graduates.** Consumers with a college degree accounted for 59 percent of all higher-check upscale patrons. At moderate-check upscale establishments, the proportion was a smaller 48 percent.

In sum

This new division in the upscale segment will make it possible to track more closely the growth of the higher-check upscale segment.

—Kate Conroy

Popularity of fresh produce transforms marketplace

The emphasis on health and fitness has transformed the fruit and vegetable marketplace. Not only has consumption shifted to fresh produce away from canned alternatives, but there is also a greater variety of products available in both grocery stores and on restaurant menus.

Consumers are still eating more fruits and vegetables. Per-capita consumption of vegetables (excluding potatoes) has increased by more than 20 pounds between 1975 and 1985. During that time, consumption of fresh vegetables has far surpassed that of the canned alternatives, accounting for 17 of the 21 pounds of the per-person gain. Consumption of canned vegetables, by comparison, grew less than one percent. According to the U.S. Department of Agriculture (USDA), canned vegetable purchases suffered because consumers believe the products to be nutritionally inferior to the fresh and frozen alternatives.

Frozen vegetable consumption, driven by the demand for convenience and ease of preparation, has grown more than 27 percent since 1975, surpassing 17 pounds per person in 1985.

Broccoli highlights consumption change

The change in broccoli consumption is a good example of what has been taking place in the vegetable marketplace. Between 1975 and 1985, per capita consumption of fresh broccoli increased by more than 160 percent. In 1970, production for the process markets (canning and freezing) accounted for the majority of broccoli production. By 1975, production was evenly split between the process and fresh markets; and in 1985 the situation was reversed, with fresh broccoli accounting for almost 70 percent of total production. Other major vegetables showing large increases in fresh consumption include cauliflower, onions, carrots and tomatoes.

Potato consumption breaks pattern

Potato consumption is one major exception in the overall shift to fresh vegetables; the fresh product has lost out to the processed one. In 1970, more than half of the white potatoes consumed were fresh. By 1985, the fresh market's share of total potato consumption fell to 42 percent as strong gains were made in potatoes for freezing, especially french fries. In the early 1980s, however, as the hot stuffed baked potato became a symbol of health and fitness, fresh potato consumption began to rise. In 1985, fresh potato consumption increased 12 percent from one year earlier, reaching 52 pounds per capita.

Fresh fruit consumption also up

Fresh fruit consumption has experienced changes similar, although less dramatic, than those occurring in the vegetable marketplace. Consumption has increased over the last 10 years, reaching 91 pounds per-capita in 1985. Fresh fruits' share of total fruit consumption has increased from 80 percent in 1970 to 86 percent in 1985.

Non-citrus fruit is driving the gain in fresh fruit consumption

Year	Fresh			Frozen[2]	Dried	Canned	Total
	Citrus	Non-citrus	Total				
1970	29.3	51.7	81.0	3.3	2.5	14.4	101.3
1975	29.4	55.3	84.7	3.2	2.7	11.8	102.4
1980	28.9	60.6	89.4	3.1	2.2	10.6	105.3
1985	22.5	68.8	91.3	3.3	2.9	8.5	106.0

[1]Consumption is in pounds on a product-weight basis
[2]Excludes frozen and chilled juices

Source: U.S. Department of Agriculture, *1986 Fruit Situation and Outlook Yearbook*

Consumers are eating more vegetables, more processed potatoes

Year	Vegetables				Potatoes	
	Total[2]	Fresh	Canning	Freezing	Fresh	Processed
1970	147.2	71.3	64.7	11.2	63.0	58.6
1975	169.7	74.3	81.6	13.8	54.6	68.9
1980	179.2	81.3	83.3	14.6	45.9	64.4
1985	190.9	91.1	82.2	17.6	52.1	73.4

[1]Consumption is in pounds on a farm-weight basis
[2]Excludes potatoes

Source: U.S. Department of Agriculture, *1986 Vegetable Situation and Outlook Yearbook*

These gains have been fueled by increases in the non-citrus category. Between 1975 and 1985, per-capita consumption of fresh non-citrus fruit increased 24 percent. Specific non-citrus fruits making large per-capita consumption gains since 1975 include grapes, nectarines, strawberries, pineapples and bananas.

In addition, many non-citrus fruits unheard of by American consumers 15 years ago, such as kiwi fruit, are now standard offerings in many supermarkets and restaurants. Although consumption of these exotic fruits has been small, it is growing. Per-capita consumption of miscellaneous fruit, which includes such uncommon varities as persimmons, mangoes and pomegranates, has grown 133 percent since 1975.

Fresh citrus fruit consumption is harder to evaluate since it has been adversely affected by reduced supplies and higher prices in the U.S. market due to recent freezes in Florida and Texas.

Frozen fruit consumption (excluding juices) has seen only slight growth while canned fruit experienced a large decline, falling from more than 14 pounds per person in 1970, to 8.5 pounds per person in 1985. Health-conscious consumers have shyed away from the high-sugar content of fruits packed in the traditional heavy syrup.

Per-capita consumption of dried and frozen fruit has changed little since 1975.

A greater variety of produce available

Since 1970, the variety of fruits and vegetables offered by retail food stores has grown considerably, according to a 1986 study undertaken by the Produce Marketing Association and the Food Marketing Institute in Washington, DC. The study found that the number of produce items carried by the average retail grocery store increased from between 65 and 70 in 1970 to more than 200 in 1986. And an increasing number of these produce items are less common varieties, accounting for 10 percent or more of the fruits and vegetables sold at some stores.

According to a study by the research firm Find/SVP, the demand for unusual produce items is being driven by such factors as increased consumer sophistication and awareness of food products, the growth of ethnic cooking and the growth of ethnic populations from South American, Central American and Asian nations.

This increased availability of new and different produce items has been mirrored at foodservice operations. Restaurants have added a whole slew of new fruits and vegetables to their menus, including, for example, kiwi fruit, mangoes, shitake mushrooms and jicama. Kiwi fruit, introduced years ago as a New Zealand exotic import, has become so popular that the fruit is now grown in California.

Import levels skyrocketing

More and more fruits and vegetables, many of them common produce items, are being imported into the United States. In fact, fresh vegetable imports have almost doubled since 1970. From less than 1.2 billion pounds in 1975, fresh vegetable imports topped 2.1 billion pounds in 1985—an 84-percent increase. Since 1975, fresh market imports have grown 142 percent for carrots, 4,894 percent for cauliflower, 978 percent for celery, 1,591 percent for lettuce, 226 percent for onions and 50 percent for tomatoes. Since 1983, imports of fresh broccoli have jumped 1,126 percent. The USDA expects imports of fresh vegetables to continue rising as consumer demand continues to grow. However, the rate of increase in fresh vegetable imports is expected to slow in the future.

Imports of fresh fruits have also shown gains. Between 1975 and 1985, apples and bananas, the two leading imports, showed increases of 90 percent and 55 percent, respectively. The USDA expects imports of fresh non-citrus fruit to continue rising, noting that there is increased production in the world, especially in Latin America.

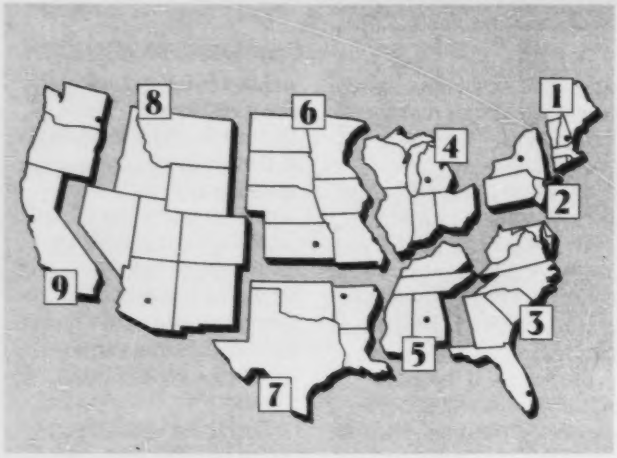
As with vegetables, imported fruit augments domestic supplies during the off season. For example, restaurateurs are able to keep blueberries, strawberries and raspberries on their menus all year long by selling New Zealand imports long after the domestic growing season has ended.

New developments in distribution

The recent emphasis on fresh and quality produce in the foodservice industry has brought about several new developments in the distribution of fruits and vegetables. In order to ensure quality, some restaurants are writing purchasing agreements with local farms. Other restaurants have elected to operate their own farms in order to directly control the crops grown and the method by which they are cultivated.

Distribution of fresh produce is changing in other ways as well. One development has been the rise of fresh processed produce—produce that is prepped before distribution to foodservice operations. A restaurant can now order pre-mixed salad for its salad bar; cored and trimmed lettuce for its served salads; and chopped onions, sliced cucumbers, broccoli florets and even melon balls.

—Laurence Greenberg



1 NEW ENGLAND

Location: Dover, NH
Association members: Wayne Picard, Teresa Picard
Operation: Firehouse One Restaurant
Profile: Upscale fullservice restaurant
In business: 7 years
Seats: 150
Meals served: Lunch, dinner

"Our business has been great since we opened seven years ago," says **Gary Russel**, Firehouse One's dining room and personnel manager. Located in the southeast corner of New Hampshire, nearly 10 miles outside Portsmouth, the restaurant is housed in a 178-year-old brick firehouse that has also served as the Dover city hall. Many features of the original firehouse remain, such as the tin plating on the interior walls, hand pumps and the pole that was formerly used to slide from floor to floor (but is now sealed off at the top with transparent formica).

The Firehouse's specialties include seafood and a 32-ounce, king-cut prime rib. *Seafood and Pasta al Dente*, one of the most popular dishes, includes scallops, shrimp and crabmeat cooked in Madeira wine and fresh cream and served on a bed of pasta.

2 MID ATLANTIC

Location: Geneva, NY
Association member: Emile Jaynes
Operation: Emile's Restaurant
Profile: Casual family restaurant
In business: 8 years
Seats: 250
Meals served: Lunch, dinner

"This year, we had a real good holiday season, and business has remained steady ever since," says **Emile Jaynes,** owner-operator of Emile's Restaurant. His casual family restaurant, positioned halfway between Syracuse and Rochester, is in New York's scenic Finger Lakes region.

According to Jaynes, Emile's location on Lake Seneca makes the restaurant an ideal year-round operation. Winter customer counts are bolstered by the restaurant's proximity to two colleges, William Smith and Hobart. In warm weather, boat lovers from the four nearby marinas frequent the restaurant.

Hamburgers, sandwiches and the soup and salad bar are favored by Emile's lunch crowd. At dinner, customers order from a varied menu that includes four types of steaks as well as lobster tails, frog's legs, *Veal Cordon Bleu and Veal* or *Steak Oscar.*

Emile's interior, with its rustic, knotted cedar walls, is warm and comfortable.

3 SOUTH ATLANTIC

Location: Hollywood, FL
Association member: Betty Neely
Operation: Tiga's Sweet Tooth
Profile: Walk-in ice cream shop
In business: 2 years
Seats: 0
Meal served: Dessert

"Business has been real good," says **Betty Neely**, manager of Tiga's Sweet Tooth, an ice cream shop on the boardwalk in Florida's Hollywood Beach. In addition to America's favorite dessert, the shop also sells frozen yogurt, Tofunette (a popular frozen tofu product), fresh fruit and fruit salads.

Hollywood is located on the sunshine state's eastern coast, between Fort Lauderdale and Miami. "It's a beautiful beach," says Neely, "but it hasn't really been discovered yet." The shop's business year can be broken down into two seasons. The winter, which extends from Thanksgiving to Easter, brings in lots of French Canadian tourists, while the summer customers are mostly local residents.

Refreshing specialties at Tiga's include the *Tiga Cone*, a homemade waffle cone filled with ice cream or fresh fruit, topped with whipped cream and cherries. Another favorite is the *Tiger Tornado*, a dessert in which fresh fruits, cookies, nuts and candies are blended into the customer's choice of ice cream.

4 EAST NORTH CENTRAL

Location: Grand Rapids, MI
Association member: Frank Lauria
Operation: Jerry's Road House
Profile: Fullservice Mexican-American restaurant
In business: 2 ½ years
Seats: 250
Meals served: Lunch, dinner

"The warm weather has been bringing in a lot of families on Fridays, Saturdays and Sundays," says owner **Frank Lauria**, "so things here have been slow during the week, and wild on the weekends." During the summer months, when many locals leave town for the weekend, the opposite pattern is usually true: Weekends are slow, and weeknights are hectic.

Lauria's Mexican-American restaurant is housed in a recently remodeled building on "the second-busiest road in Michigan." The owner does little advertising or promoting, but he has had success with billboards which advertise specials to passers-by.

Jerry's menu includes hamburgers, Reubens, shrimp, roast beef, chicken and scrod as well as Mexican specialties, such as burritos and tacos. Also popular are *Rohitas*, beef or chicken fajitas that the owner renamed in honor of the road house.

5 EAST SOUTH CENTRAL

Location: Selma, AL
Association member: Robert D. Wilkinson, Jr.
Operation: Graystone Restaurant
Profile: Country-style family restaurant
In business: More than 20 years
Seats: 120
Meals served: Breakfast, lunch, dinner

Business at Alabama's

Graystone Restaurant has been steady, says manager **Patsy Sims.** "Around income-tax time we slow down some," she says, "but it's not usually too much."

The Graystone, a traditional country-style restaurant, counts many older customers among its steady clientele.

Breakfasts at the Graystone are busy. Customers gobble up offerings, such as grits, waffles, pancakes, hash browns, ham and fresh biscuits. At lunch and dinner, popular dishes include meat loaf, spaghetti, chicken and dumplings, salad and vegetables. On Friday and Saturday nights, a $5.95 fish special includes all-you-can-eat catfish or flounder, served with coleslaw, french fries and hush puppies. During the week, customers finish off their meals with lemon meringue, coconut, chocolate cream, apple or egg custard pies. Homemade cobblers or strawberry shortcake complete the Sunday meal.

6 WEST NORTH CENTRAL

Location: Wichita, KS
Association members: Alan Bundy, Jeff Silliman, Buck Hilliard
Operation: Amarillo Grill
Profile: Fullservice grill
In business: 5 years
Seats: 200
Meals served: Lunch, dinner

"Our business has been super, and it's improving every week," says **Alan Bundy,** managing partner of the Amarillo Grill. "We offer customers consistency and value, and there's still a market for that."

There are four Amarillo Grills in Kansas, including two in Wichita. The grills are, says Bundy, "a step above the family steak house without trying to be a high-ticket restaurant." The average lunch check is $6.50, and evening diners usually spend about twice that.

The crowd at the Amarillo Grill is varied. It includes customers in both suits and jeans, but few families. "In general, we focus on providing a comfortable atmosphere for adults," Bundy explains.

The house specialty is mesquite-grilled steaks. "Everyone says people are shying away from red meat," says Bundy, "but we haven't noticed that at all." Other popular items include hamburgers, fajitas, salmon and red snapper.

7 WEST SOUTH CENTRAL

Location: Fayetteville, AR
Association members: Terri Moeller, Joe Fennel
Operation: Jose's Incorporated
Profile: Fullservice Mexican restaurant
In business: 7 years
Seats: 260
Meals served: Lunch, dinner

"Fayetteville's economy is down a bit, but ours is one of the few restaurants in town whose business has remained consistent," says **Terri Moeller**, manager of Jose's.

When the Mexican restaurant first opened, it catered mainly to students because it is located two blocks away from the University of Arkansas. But the owners soon decided to go after more of the family market. Food and drink promotions geared to families and older professionals have allowed Jose's to get a leg up on the five other Mexican restaurants in Fayetteville. On Sundays, for example, customers enjoy half-priced margaritas, while children under 12 eat free and are entertained by coloring contests. "The kids are happy," says Moeller, "and their parents are happy, too."

Jose's is decorated in a festive Mexican style, with hanging pinatas and brightly colored paper flowers. The menu includes traditional Mexican fare, including such favorites as chimichangas and beef and chicken fajitas.

8 MOUNTAIN

Location: Scottsdale, AZ
Association members: Dee Ann Skipton, Joe Serbeck
Operation: The Impeccable Pig Incorporated
Profile: Fullservice restaurant/antique store
In business: 8 years
Seats: 100
Meals served: Lunch, dinner

"Our business has been real strong recently," says **Joe Serbeck**, general manager of The Impeccable Pig. "Scottsdale's economy is booming," he adds, and, between October and April, the restaurant's business gets a boost from winter vacationers.

The restaurant's decor changes frequently; it is located within an 11,000-square-foot antique shop, and most of the eatery's furnishings are for sale. "We've even had people come in and buy tables and chairs that were being used by a party," says Serbeck. "Of course, we don't scoot away the people who are eating. We wait until lunch is over."

The focal point of the restaurant is an elevated open kitchen, which owner Skipton used for cooking classes before opening the restaurant. The menu changes daily, but usually includes fresh dishes, such as rack of lamb, shrimp scampi, monkfish and, of course, pork. One of the most popular appetizers is *Brie in a Puff Pastry Shell.*

9 PACIFIC

Location: Colfax, WA
Association member: Dick Miller
Operation: Allen's Restaurant
Profile: Homestyle fast food restaurant
In business: 7 years
Seats: 70
Meals served: Breakfast, lunch, dinner

"We're in the midst of our best year ever," says **Dick Miller**, owner of Allen's Restaurant. Miller also is looking forward to a busy summer because the eatery usually does one-third of its yearly volume in June, July and August.

Allen's originally opened 24 years ago as an A&W Root Beer stand, but, when Miller took over in 1980, he decided to "reverse the trend by going back to basics." Now, all his food is prepared on premises, and it has paid off, says Miller, in low food costs and a loyal clientele.

Allen's, which is located on the edge of a small farming community 62 miles south of Spokane, opens at 5:00 a.m. and does a strong breakfast business. "We do it right," says Allen. "Everything is pan-fried and fresh." One of his specialties is *Bacon Gravy*, a bacon-based gravy served over homemade biscuits.

At lunch and dinner, popular dishes include hamburgers, pizzas, fish cutlets, steak sandwiches and homemade chili and soups. Two operational throwbacks to the A&W days are table telephones, over which the customers place their orders, and car service, which accounts for nearly one-third of Miller's business.

—David Slater

Fast cash for fast food

If Wendy's newest experiment is successful, cashless people won't have to be burgerless anymore. The Dublin, OH-based chain is testing debit bank machines at four of its Dayton units.

To use the machines, a customer slips in a plastic bank card, pulls out a $10 receipt and takes it to the counter to pay for food. The machine moves $10 from the customer's account to a Wendy's account. Change for the purchase is in cash.

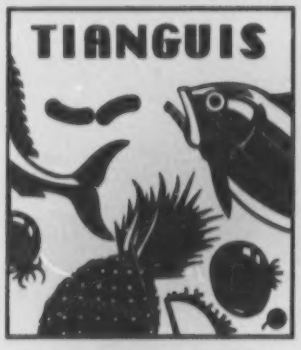
The machines are being tested as an alternative to accepting credit cards. "There's been talk of that in our industry," says spokesman Denny Lynch. "It would be a nightmare with all the carrying charges for $1 and $2 purchases."

Officials at Wendy's are not certain if they will expand use of the terminals. "We're just fishing around," says Lynch. —*USA TODAY*

A super Mexican market

Supermarkets traditionally have marketed ethnic products in the same manner as all other merchandise. But Vons Grocery Co., realizing that Southern California's population will be 40 percent Hispanic by 1990, has decided to approach this fast-growing market from a new angle. The company recently opened the first of its Mexican-oriented supermarkets in Montebello, CA, south of Los Angeles.

The 60,000-square-foot Tianguis—an Aztec word for marketplace—features many aspects of a Mexican open-air market. There is a



"pescaderia" with fresh fish and seafood, a "fruteria" offering fresh fruit and fruit drinks, a "carniceria" featuring thinner cuts of meat and a "tortilleria." The large amounts of fresh foods are counterbalanced by Tianguis' small frozen food section.

Although Tianguis is directed almost exclusively at Mexican Americans, future stores may cater to concentrated areas of other Central American or South American populations.

All store signs, advertisements and employees—hired mostly from the community—are bilingual.

—*Nutrition Week*

The potent effect of the first brew

Anthropologists have long wondered what led ancient humans, 10,000 years or so ago, to settle down and begin growing and harvesting crops. Dr. Solomon H. Katz of the University of Pennsylvania believes he knows the answer: beer.

According to Dr. Katz's hypothesis, outlined in *Expedition*, the journal of the Museum of Archeology/Anthropology at the University of Pennsylvania, prehistoric humans accidentally discovered that wild wheat and barley soaked in water to make gruel, if left out in the open air, did not spoil. Instead, the natural yeast in the air converted it to a dark, bubbling brew that was high in protein and, best of all, made you feel good. Dr. Katz contends that the combination of mood-altering and nutritional properties would have been incentive enough to cause neolithic hunter-gatherers in the Near East to begin cultivating the grains.

—*The New York Times*

Burgers and flying buttresses

When McDonald's Corporation, which averages one restaurant opening every 17 hours, needed some fresh architectural ideas, it turned to the generation that had been raised in the shadow of the arches. The fast food giant solicited designs for the McDonald's of the future through the McDonald's Student Design Competition.

The top entries in the contest were a two-story Spanish Mission-style restaurant and something that can best be best described as retro-Mac: a modernist version of the original 1955 McDonald's drive-up that is still standing in Des Plaines, IL.

The winning designs won't be on the drawing boards soon, however, says McDonald's chief architect Fred Matthias. Only fragments of the students' best work will be incorporated into future designs.

—*USA TODAY*

Helping kids arrive alive

Taco Time International, Inc., Coca-Cola, Inc., and Oregon Student Safety on the Move (OSSOM), are co-sponsoring a program designed to help high school students who need a safe ride home. They are distributing more than 60,000 FRIENDS ARE OSSOM cards to Oregon teenagers.

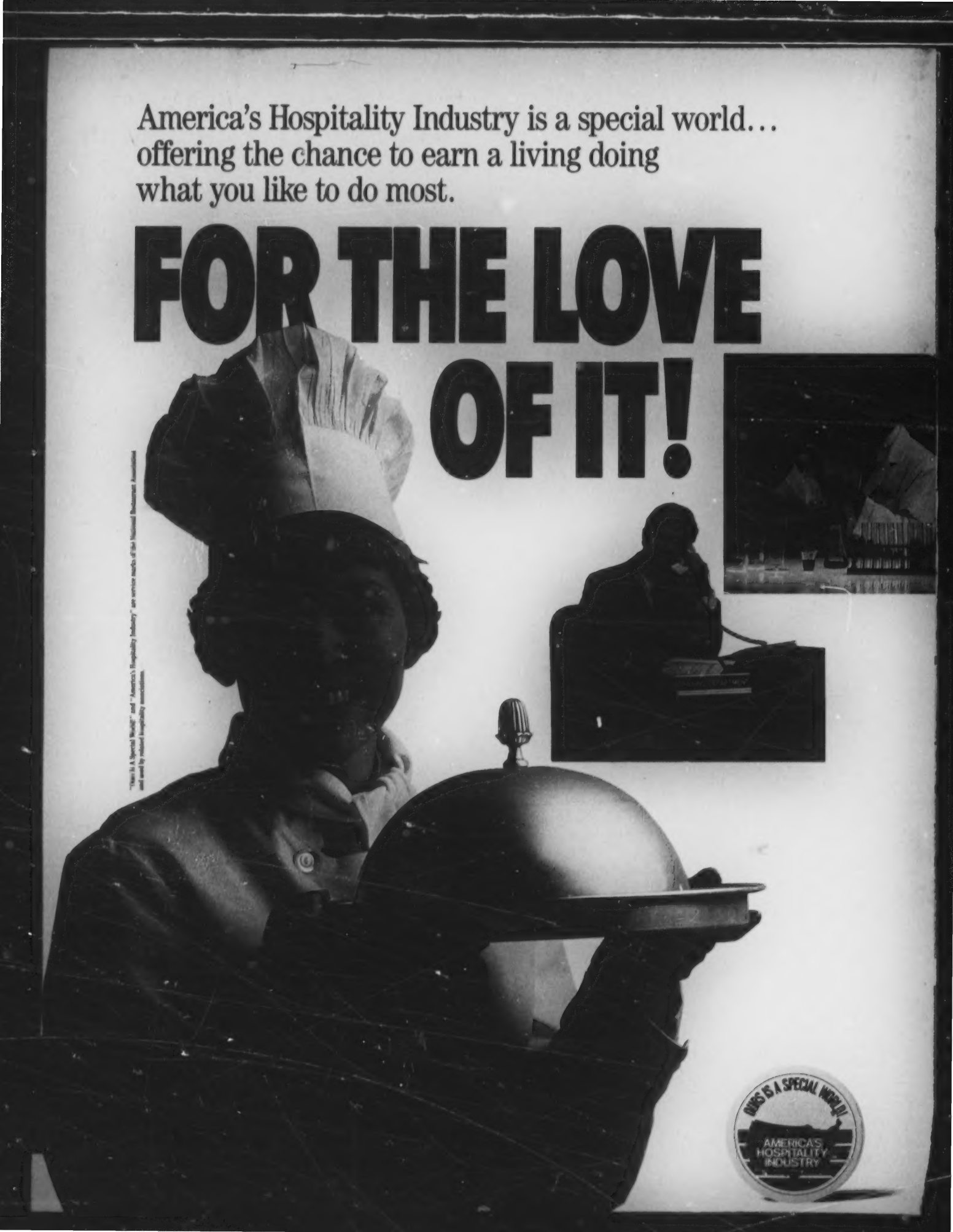
The wallet-sized cards have the name and phone numbers of friends the carriers can call to get a safe ride home if they cannot safely drive or if they are with a friend who should not be driving.

The distribution of the cards began in October 1986 through Oregon high schools, and it now is being carried on by Taco Time restaurants in the state. All of Taco Time's 58 company and franchisee-owned restaurants in Oregon are involved in the program. The restaurants are offering special discounts as an incentive to students to carry the cards.

—*Taco Time International, Inc.*

America's Hospitality Industry is a special world... offering the chance to earn a living doing what you like to do most.

FOR THE LOVE OF IT!



"This Is A Special World!" and "America's Hospitality Industry" are service marks of the National Restaurant Association and used by related hospitality associations.